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U.S. ANTI-DRUG INTERDICTION EFFORTS AND THE WESTERN HEMISPHERE DRUG ELIMINATION ACT

JOINT HEARING

BEFORE THE

SENATE CAUCUS ON INTERNATIONAL NARCOTICS CONTROL

AND THE

COMMITTEE ON FOREIGN RELATIONS UNITED STATES SENATE

ONE HUNDRED FIFTH CONGRESS

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C O N T E N T S

U.S. ANTI-DRUG INTERDICTION EFFORTS AND THE WESTERN HEMISPHERE DRUG ELIMINATION ACT

WEDNESDAY, SEPTEMBER 16, 1998

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS AND CAUCUS ON INTERNATIONAL NARCOTICS CONTROL,
Washington, DC.

The committee and the caucus met, pursuant to notice, at 9:38 a.m., in room SH–216, Hart Senate Office Building, Hon. Paul Coverdell and Charles E. Grassley presiding. Present: Senators Coverdell, Biden, Feinstein, and Graham. Also Present: Senators Grassley and DeWine.

Senator COVERDELL. We will come to order.

This morning we are holding a joint hearing of the Senate Foreign Relations Committee and the Senate Caucus on International Narcotics Control to consider the topic of United States drug interdiction efforts and the Western Hemisphere Drug Elimination Act, S. 2341.

We are most pleased to have Chairman Grassley, of the Senate Drug Caucus, and Senator Biden, ranking, of the Drug Caucus and the Senate Foreign Relations Committee, here as well. We are joined by the original cosponsor of S. 2341, Senator DeWine.

General, welcome. You will constitute the first panel. I would hope that you might try to limit your opening remarks to the 10- to 15-minute range, so that we would have good interplay with Senate members here.

I have to say that recent data is disturbing again, and I think underscores, General, on behalf of the Congress and the administration, a requirement for accelerated and, as you have heard me say before, bolder steps than we are currently envisioning. And on August 21, 1998, the National Household Survey on Drug Abuse, conducted by the Substance Abuse and Mental Health Administration, was released. That report indicates that in 1997, 13.9 million Americans 12 and over cited themselves as current users of illicit drugs, a 7-percent increase from 1996.

Now, last year, we thought that the fever broke. We saw a tick down. And I was encouraged by that. But I think, on review, we have not seen what we thought might be happening.

Current illicit drug use among our Nation's youth continues to increase at an alarming rate. From 1992 to 1997, youth, aged 12 to 17, using illegal drugs has more than doubled, 120 percent, with a 27-percent increase from 1996 to 1997 alone.

On September 1, 1998, a Back to School 1998, CASAT survey conducted by the National Center on Addiction and Substance Abuse, at Columbia University, was released. A majority, 51 percent, of high school students say the drug problem is getting worse. I can confirm that on my visits, school to school to school, our youngsters know what is happening, and they will repeat this over and over, that drugs are their number one problem, and there is not even a close second.

For the fourth straight year, both middle and high school students say that drugs are their biggest concern. More than three-quarters of high school teens report that drugs are used, sold and kept at their schools, an increase of 72 percent, in 1996, to 78 percent, in 1998. And I saw one figure that recently suggested a 73-percent increase in 12- to 13-year-olds. Which, General, you and I have both agreed, the target audience of this narcotic structure is younger and younger, more vulnerable, more vulnerable, more dangerous, more long-lasting.

So I welcome Senator DeWine's work and the work of the Drug Caucus in any attempt to accelerate, accelerate. I have been saying, General, I do not think we should recognize the drug war in 24 months. It needs refitting.

I was in three schools this past week. Everybody knows the dilemma of a gray-hair talking to 500 middle school or high school students. They are your toughest audience in the world. And you wait for the fidgeting, a giggle here and there. Rapt silence. Rapt silence in the discussion of this crisis. They are attentive. They are alert.

This is the beginning of a school year, and it is a very special time for all of us to be communicating to these students. And with that, I turn to the chairman of the Senate Drug Caucus, the distinguished Senator from Iowa, Chuck Grassley.

Senator GRASSLEY. Of course, I want to thank the Co-Chairman, and, more important, members of the minority party, in my case, working very closely with Senator Biden, through the Caucus, but also members of the Foreign Relations Committee, for their time and their attention to a very important issue. And also we ought to thank our witnesses for appearing before us today to discuss our efforts to control the flow of drugs into our country.

In 1996, when Senator Dole was still leader of the Senate, he asked Senator Hatch and me to work with the House to review our drug policy efforts. The subsequent report, called Setting the Course on National Drug Strategy, noted then serious declines in commitments by the administration to support interdiction programs. I am not going to rehash those shortfalls here.

I want to note, however, that they were serious, and undermined this country's interdiction program in both source countries and in transit zones. That report also noted that as a consequence of a decline in sustained attention to our counterdrug efforts, teenage drug use was on the rise, after years of decline. Now, that report came out 2 years ago.

Since then, the level of teenage use has continued to grow. More kids are using drugs. Kids are starting to use drugs at an earlier age. And more kids are seeing no harm—that is the message—no harm to using drugs.

In addition, we have seen growing efforts across the country, promoting drug legalization. So we have a very muddled message. We see the results in teenage drug use. I know there are efforts of publicity, both in the private sector and the public sector to counteract that. And obviously we hope that that has a very positive impact. But as it now stands, our efforts are not having desired effects.

There is good news, but there is also bad news. The bad news is that our policies and strategies are not working. The good news is that we have lots of them. And in my view, it is not sufficient just to have plans; we need to ensure that those plans are working. Our goal is not to have plans, but to have results.

At the moment, we seem to be a day late and a dollar short. What this hearing is all about is what we can do to change that. So I welcome General McCaffrey before us, as well as our other witnesses. And obviously I thank General McCaffrey for his recent endorsement of a resolution that Senator Kyl and I have been working on. We will be presenting this resolution later, and I ask for support. And I want to thank General McCaffrey for his support on the issue.

I also look forward to what he and other witnesses have to say about next steps in our interdiction effort and what they should be. I think that we all share the same goal: lowering drug use and stopping the flow of illegal drugs. Unfortunately, we are not meeting that goal. We need more and we need better.

And I yield the floor.

Senator COVERDELL. Thank you, Mr. Chairman.

I now turn to our ranking chair, Senator Biden, of Delaware.

Senator BIDEN. Thank you very much, Mr. Chairman.

General, I want the record to know, just as two colonels do not make a general, having the hat of ranking member on two committees does not make a chairman, unfortunately. As you all know, ranking is a euphemism for having no power. But I have an opinion, and I have had one for a long time in this area. [Laughter.]

Senator BIDEN. Let me commend Senator Grassley and Senator Coverdell for their efforts here. There is a lot of partisanship up here on the Hill the last 4 years—an equal measure on both sides. But in my working with Senator Coverdell and Senator Grassley and Senator DeWine, I have not found that to be the case.

I suspect we have, and I think I know you well, General, and you and I have worked very, very, closely since you have had this job, on drug issues. I know, I would think it is fair to say, we have some disagreements with the solutions that they have offered. But my criticism, to the extent than any occurs, does not relate to my in any way suggesting that I doubt the motives or the sincerity of the effort any more than I think they doubt mine.

The focus in today's hearing, as I understand it, is legislation to authorize an additional $2.6 billion over the next 3 fiscal years for interdiction and international programs. At the outset, let me state my agreement with the principle underlying the legislation. That is, more interdiction resources are needed.

Interdiction is not the solution, in my view, to the drug war, but it is a very key element to any comprehensive approach. And wisely deployed, as you did when you were running the show on this issue at the Defense Department, General—at least the Defense

part of it—wisely deployed, interdiction assets can increase the cost to traffickers by increasing their uncertainty. And increasing the cost to the traffickers can, over time—over time—increase the price of drugs on the street, thereby reducing their availability.

But let us not deceive ourselves about this or any other legislation which boldly proclaims itself as the Western Hemisphere Drug Elimination Act. Let us not deceive ourselves that this is going to lead us to that promised land.

First, the bill—as I said, extremely well intended as we all know because of the way this place works—has come too late to have any meaningful effect on fiscal year 1999 appropriations. Nearly all such legislation has moved through the Senate. I guess the hope is the House had not done much of anything on appropriations, so maybe we are going to have a special session or something afterwards and we have a shot. But in the normal course of events, it is passed us already.

And though Senator DeWine has succeeded in adding some interdiction funding to various parts of the budget, for which I commend him, I would note that just 2 weeks ago, the U.S. Senate reduced funding for the State Department's International Narcotics Program by $53 million from the President's request, and $8 million below last year's level.

Second, the bill makes an easy choice—more resources for interdiction—without making the hard decisions about where the funding will be found. As my colleagues well know, and you have come to painfully understand, General, under our so-called Balanced Budget Act, everything around here is a zero-sum game. More money for one account means less money for another account, period. More money for one account means less money for another account. So it is nice for us to say we are going to spend this money; we have got to figure where we are going to cut the money.

The only way to circumvent the budget rules we have imposed upon ourselves is to declare, quote, an emergency, and thus exempt the spending from the budget caps we are locked into. I am ready to discuss that. Because, as the chairman says, there is an emergency out there. We all talk in terms of emergency. If this is a real emergency, let us go to the floor, say it is an emergency, raise the caps, stop fooling around, and get the money.

Third, I find it bizarre that we would be suggesting that the Narcotics Bureau be removed from the State Department, and its International Programs transferred to the DEA. Now, look, as you know, General, I have been the most outspoken critic of the State Department over its refusal to put drugs in the same category of other serious international bilateral and multilateral relations that we have. The bill does not make that decision, I acknowledge, but it asks you to study the recommendations of whether such a transfer should occur.

As I said, I have always questioned the State Department's commitment to the drug war under Republican and Democratic Presidents. They would much rather carry treaties in their briefcases than talk about that dirty business of drugs. And I understand that. But the Department has made some progress, and we have to recognize it.

If, however, the responsibility for international narcotics programs is removed from the State Department, we will no longer have any questions—the State Department will have no commitment to the drug effort—mark my words. If we take it out of State, they will go exactly where they want—have no part of this deal—none—zero. If divested of the operational and fiscal responsibility for fighting drugs, the State Department, I think, will marginalize the issue still further in this administration and any future administration, leading, in my view, to a severe de-emphasis of the issue in our foreign policy.

I do not think this is a result we should look for, we should welcome, and we should try to avoid. So I look forward to hearing from you, General, and our other witnesses today, and state again for the record that I think you are doing one heck of a job. To be honest with you, I do not think the President is speaking out enough, and I do not think the Republican-controlled Congress has come up with the bucks enough. You have got a tough job. But you are doing the job well. And I hope you will be, as you always have been, candid with us.

And I hope you will listen to the advice of your father and not the advice of anyone else, and be straight-up with us about whether or not you think what these guys are suggesting makes sense. Maybe it does. But if you do not think it does, you are no longer a General. You are in the midst of a political—a political—maelstrom here. I know you like—you are always telling me, Joe, I do not want to say that because that will sound partisan. Say what you think. If you do not like what they say, tell them. If you like what they say, tell them. If you do not like what I say, tell me.

Senator COVERDELL. He has in the past.

Senator BIDEN. I know. I am just saying this guy, you have taken the uniform off, get the mind set out of there. This is a political battleground as well as a substantive one. Say what you think. And I am looking forward to hearing it. And, again, I thank my colleagues for, as usual, putting up with me.

Thank you.

Senator COVERDELL. Thank you, Mr. Ranking. [Laughter.]

Senator BIDEN. And likely to be for some time to come.

Senator COVERDELL. I now want to turn to the principal author of S. 2341 for an opening statement, Senator DeWine.

STATEMENT OF HON. MIKE DEWINE, U.S. SENATOR FROM OHIO

Senator DEWINE. Senator Coverdell, thank you very much.

Let me just say to the General that I am sure he will take Senator Biden's words to heart. I do not know if the advice is really needed, though. He has always been rather candid with me. He has already told me the things he does not like about the bill. So I am sure we are going to hear that today.

General, welcome. We are glad you are here today. We appreciate it very much.

Mr. Chairman, let me thank you and let me thank Senator Grassley for holding this hearing. As you have pointed out, we introduced a bill in July, along with Senator Graham. A companion bill was introduced in the House of Representatives by Bill McCol-

lum and Dennis Hastert. This is a bill that is aimed at, we believe, restoring the balance in our anti-drug efforts. This bill would authorize an additional $2.6 billion investment in international counternarcotics efforts over the next 3 years.

This investment would allow for a more aggressive and effective eradication, interdiction and crop substitution strategy. Bluntly, our objective is to dramatically reduce the amount of drugs coming into the United States, drive up the price of drugs, and therefore reduce drug consumption. It is as simple as that. On a larger scale, this legislation takes a major step toward correcting what we believe is an imbalance—an imbalance in our overall drug control strategy, an imbalance that has emerged over the course of the last decade.

I have stated to you, General, and I have stated it to my colleagues and I have stated it long before I came to the U.S. Senate, that I believe we have to have a balanced anti-drug strategy. And I have felt that some of the debates that we get into about the importance of one versus the other is not very helpful. I think you have to have a domestic law enforcement component. I think you have to have a good treatment component. I think you have to have education or prevention. And I think you have to have an international component. It has to be a balanced drug strategy.

And really, what this hearing is going to be about, in part, is a discussion, I think, about whether or not we do have that balanced strategy. I happen to think that it is not. I think the General has done a very good job. I do not believe, however, that this administration has given him the resources and that we have given him the resources to deal with the international component of this.

What this bill is intended to do is to bring back that balance, a balance that historically we have had between the three major components of an anti-drug effort. A balanced drug control plan is one that makes a strong commitment in three areas. One, demand reduction, such as prevention, treatment and education; two, domestic law enforcement; and, three, international eradication and interdiction efforts.

While this administration has demonstrated support for demand reduction and domestic law enforcement components, I believe it has done so at the expense of our international eradication and interdiction components. As a result, our overall anti-drug strategy has become imbalanced over time.

Now, this was not always the case. In 1987—just to cite a few figures—in 1987, a $4.79 billion drug control budget was divided as follows: 29 percent for demand reduction programs; 38 percent for domestic law enforcement; and 33 percent for international eradication and interdiction efforts. This balanced approach achieved real success. From 1988 to 1991, total drug use was down 13 percent. Cocaine use dropped by 35 percent; marijuana use dropped by 16 percent.

This balanced drug approach ended, I believe, in 1993. Of the $13.3 billion national drug control budget for 1995, 35 percent was allocated for demand reduction; 53 percent for law enforcement; but only 12 percent for international and interdiction efforts.

The fiscal year 1999 budget request is over $17 billion. And of that amount, 34 percent is allocated for demand reduction; 52 per-

cent for law enforcement; but only 14 percent for international and interdiction efforts.

Mr. Chairman, although this administration points to funding increases for interdiction efforts over the last 2 to 3 years, it is still far short of the kind of commitment we were making at the beginning of this decade. The result of this imbalance has been, I believe, devastating: a decline in cocaine seizures, a decline in the price of cocaine, and an increase in drug use.

From 1992 through 1997, the proportion of young people, aged 12 to 17, using illegal drugs has more than doubled, 120 percent, and has increased 27 percent just from 1996 to 1997.

For children 12 to 17, first-time heroin use, which could be fatal, surged a whopping—just a huge 875 percent, from 1991 to 1996. The overall number of past-month heroin users increased 378 percent, from 1993 through 1997.

Now, these negative trends have sent shock waves throughout our communities, our schools and our homes. More children are using drugs. I find it especially disturbing that drug traffickers are seeking to increase their sales by targeting children age 10 through 12. This has to stop. It is a clear and imminent danger to the very heart of our society.

This is why this bill, I believe, is so timely. We need to dedicate more resources for international efforts, to restore a balanced drug control strategy. Now, let me make it very clear again that I strongly support our continued commitment in demand reduction and law enforcement programs. The General has done a great job in pursuing these efforts. In the end, reducing demand is the only real way to permanently end illegal drug use. And I think we all know that. However, this will not happen overnight. And I think we all know that, as well.

Further, effective interdiction can influence demand through changes in price. Effective interdiction makes it far more difficult for drug lords to bring drugs to our Nation and make drugs far more costly to buy. That is why we need a comprehensive counterdrug strategy, a drug strategy that addresses all components of this problem.

Our legislation is intended to be a first step to restore a balanced drug control strategy, by renewing our commitment to international eradication and interdiction efforts. Today, over 75 of our colleagues, House and Senate, Republicans and Democrats, are cosponsors of this bill. The House is scheduled to vote on this bill later today. It is our hope that the Senate will vote on our bill shortly, as well.

It is also our hope that if Congress approves this legislation, the President will sign it into law. Since the introduction of this bill, I have encouraged, time and time again, I have encouraged the administration, members of the administration, to provide us feedback, comments or changes that they feel are necessary. This is a work in progress.

A number of ideas that we have received have been incorporated into the House version, to be voted on today. And I am looking forward to hearing more ideas today from our distinguished panel.

In conclusion, Mr. Chairman, some can quibble over the percentage goals as outlined in this legislation, and we can talk about

that. We may quibble about the manner in which it was drafted or the strategic concepts. But this type of discussion, frankly, is not a good use for our time and energies today. What really matters are the resources. Are we willing to put the resources into this fight?

We are fortunate today to have representatives from the Drug Enforcement Administration, Customs, Coast Guard, State and Departments, and the Drug Czar's Office. They are the experts. They are the ones who are on the front lines. And we respect that.

This is a great opportunity. This is a great opportunity to hear from them and get their perspectives on how we can restore a balanced drug control strategy. If there is quibbling about how this bill spends the money, then we would like to hear how they would think it should be spent. That is what we should be talking about today.

What I want to know and what really matters is whether or not the investments we provide in this bill, if we provided them, can in fact make a difference. And let me just point out that the Senate has already—has already—put in an additional $143 million for fiscal year 1999 in the appropriations process as a direct result of this bill: $39.5 million for the Coast Guard, $15 million additional for Customs, $8 million additional for crop substitution development programs, and $8 million for Defense. And we hope to continue that.

So this bill has already begun to have some effect. And I think it should be looked at as we look at any authorization bill. And that is as a framework for discussion, a framework to outline what our goal should be, and how we intend, in this case, to restore more balance to our anti-drug efforts.

I believe that the strong bipartisan support for this legislation should demonstrate to the administration that Congress is prepared to do more to reduce the flow of drugs. I think the votes in the Senate already in the appropriations bills would indicate that. I think we have a great opportunity before us today to reclaim the initiative in this effort.

Let us be frank. In our anti-drug effort, Congress provides the funds. We try to provide some of the vision, but the agencies represented here are the ones who are on the front lines every day and the ones who have to carry it out. The dedicated men and women at these agencies are working to keep drugs out of the hands of our children. And all we are trying to do is to give them the additional resources to make that work, make it do a better job, and to get that actual job done.

This bill is just the first step in our efforts to work with the agencies represented here today. I expect to do more in the future. In the past, when given the right amount of resources, they have made a difference. They have contributed to a winning effort to reduce drug abuse. I think it is time to call on them again to make a difference.

Let me again thank you, Mr. Chairman, for allowing me to be here, not as a member of the committee, and I appreciate it very much.

Senator COVERDELL. Thank you, Senator.

I would now turn to the Senator from California, Senator Feinstein.

Senator FEINSTEIN. Thank you very much, Mr. Chairman. And let me thank you for holding this hearing. I think you know it has been a great pleasure for me to work with you on these matters over the last few years.

Mr. Chairman, I, as a mayor, as a county supervisor for a long time, have dealt with the problem of drugs. I listened carefully to the comments of the distinguished Senator from Ohio. And I must say I agree with him, and I agree with what he is trying to do. I have one point of departure. I think we would all agree that the demand problem in the United States is big and, to an extent, out of control. But demand is usually met on the local level. The Federal Government can provide money, but local jurisdictions carry out the prevention and the demand reduction programs.

The major job, as I see it, of the Federal Government, in addition to providing those funds for demand, we do not run a demand program, we interdict. We have a precise Federal role. And it is to stop drugs in large quantities coming into this country. Local jurisdictions cannot do that. I could not do that in the Port of San Francisco, when I was Mayor. I cannot stop drugs from coming in through the Port of Los Angeles or over the border, in the southern part of our State.

And this is where we are failing in drug interdiction. There is no question that ground zero in the interdiction effort is the Southwest border of the United States of America. And we have 18-wheel trucks, recruiting drivers in Michigan, coming in over that border every day, carrying 5 to 7 tons of cocaine. Customs today has a mixed mission. NAFTA is underway. Programs are pumping trucks across that border, thousands and tens of thousands a day and a week.

As General McCaffrey pointed out in San Diego not too long ago, seizures throughout the Southwest region have declined precipitously in recent years. Cocaine seizure at points of entry in 1997 were half of what they were in 1996. Cocaine seizures as a result of investigations in 1997 were about one-quarter of what they were in 1995. Cocaine seizures at checkpoints and traffic stops, in 1997, were less than half of what they were in 1995.

So as a Senator for California, when I look at this area, I say our effort in interdicting drugs, the prime responsibility of the Federal Government, is an abject failure. You cannot have an arrest in New York City that involves 4 tons of cocaine and believe that cocaine came in, in backpacks, across the border. It did not. It is coming in, in big rigs.

One investigation discovered the smuggling of at least 1.5 tons of cocaine a month in crates of fruits and vegetables from Mexico. At Otay Mesa Cargo Inspection Facility, there have been 24 seizures within the last year of drugs found concealed in trucks and trailers, including those of two line-release participants.

I draw two conclusions. One, the mixed mission of Customs has been a failure. Customs cannot be both a trade expediter and an enforcer of the law, and fully enforce that law, I believe. The mixed mission of Customs is not working. And, second, the General has begun to propose, and I think he is on the right track, a new uni-

fied drug interdiction effort. And I want to offer my efforts to work with him to develop that and to support that.

I am absolutely convinced, after nearly 6 years now since I have been in the U.S. Senate, of hammering about these programs, that they are not working. In 1996, I asked the GAO to take a look at Customs. And I have just received four reports, one dated April 1998, one dated July 1998 and two dated August 1998. And I want to quickly—these are really more anecdotal, but I want to quickly just indicate what these reports have found.

The GAO studies find major problems with Customs' anti-drug enforcement programs. And these weaknesses include internal control weaknesses in the program known as line-release. Now, this program was intended to identify and separate low-risk shipments from those with higher smuggling risk. These flaws at all three of the border entry crossing points—that is Laredo, Texas; Nogales, Arizona, and Otay Mesa, California—these flaws in all three of these are seriously jeopardizing the security of the program.

These reports point out incomplete documentation of screening and review of applicants at Otay Mesa, as well as Nogales. They point out lost or misplaced line-release application files and background checklists that serve as support for approving applications. Otay Mesa officials were unable to locate 15 of 46 background checklists in the line-release program.

Now, if you cannot find the background checklist and you have approved these companies and their trucks just to pour across the border without being checked, that is a big problem.

No recertification requirement for companies already approved for the line-release program is present to ensure that the participants remain a low risk for drug smuggling.

The GAO also found that Customs officials themselves have little concept of something that they have evolved called the three-tier targets concept. That was implemented in 1992. And it was supposed to help identify low- and high-risk shipments so inspectors could focus their attention on suspect shipments. The GAO found that this program does not work. And it does not work because there is insufficient information in the Customs data base for researching foreign manufacturers.

Now, what this means is that the reliability of the risk designations given by Customs, which range from little risk for narcotics smuggling to significant risk for narcotics smuggling, are questionable, and therefore unreliable.

The GAO also found significant internal control problems with the Treasury enforcement communications systems, which is used to compile what is called lookout data for law enforcement purposes, including identification of persons and vehicles suspected of drug smuggling. And this system is used by some 20 Federal agencies—INS, DEA, IRS, and BATF. Customs did not have adequate controls over the deletion of records from the system. And Customs guidance for the use of the system does not follow standards set by the Comptroller-General. And that makes it vulnerable to the deletion of data without checks and balances by management.

This is not my view; this is what the GAO is saying.

Now, what is the bottom line of all of this? The bottom line is that cargo shipments are being expedited when in fact they should be stopped and searched.

Now, the increased trade generated by NAFTA, which we all support, has resulted in significant expansion of opportunities for drug trafficking organizations. This is largely because of the excellent cover commercial trade activity provides. Now, this is according to a report issued by Operation Alliance, which is a federally sponsored drug enforcement coordinating agency in El Paso, Texas.

The Operation Alliance report describes the ways in which drug smugglers are exploiting increased trade. And I would like to just cite a few examples of how drug traffickers are taking advantage of the increased trade generated by NAFTA. Traffickers are making extensive use of legitimate systems for moving drugs into the United States by becoming thoroughly familiar with Customs documents, procedures and processes. And all anyone has to do is read the front page of the *New York Times* today to understand how sophisticated they are and how difficult it is to even vet law enforcement personnel on the other side of the border to be certain that we are not giving security information to drug traffickers.

So the traffickers are making use of legitimate systems for moving drugs. They are becoming involved with well-known, legitimate trucking firms that would be less likely targets of law enforcement security. And some traffickers have even sought trade consultants to determine what merchandise moves most quickly across the border under NAFTA rules.

Against this backdrop of traffickers exploiting legitimate means of transporting cargo across the border for their own illicit smuggling operations, we now have GAO finding this disturbing evidence of problems in Customs' drug enforcement efforts. And as a matter of fact, General McCaffrey points out in his outline, "Organizing Counterdrug Efforts Along the Southwest Border: An Emerging Concept," dated August 25th, that we still have only three truck scanners in place along the border.

And as he says, traffickers quickly adjust to the construction of such devices, and shift drugs elsewhere. They watch. They have got spotters. They know when trucks are being searched. They know when they are not. They know when the scanners are operable. They know when they are not. We are dealing with the most sophisticated drug smuggling and trafficking efforts at the present time.

I say all of this to indicate to the General that I think we have got to rethink and re-look at what we are doing. And I want to support—if you think we should restructure our agencies, if you think we should have one unified agency that deals with it, I am certainly willing to be supportive and try it. I am absolutely convinced that what we are doing today is inadequate.

And sure, we may shut it down in one area, and they are smart, and they move to another area, but I make the hypothesis that the prime role for the Federal Government is Federal enforcement and interdiction. Provide the money to local jurisdictions to do the demand programs, the prevention programs. No problem with it. As a former mayor, it is important; it has got to be done. But our role is to see that there are not busts in New York City that have 4

tons of cocaine recovered or, in Southern California, where you have 800 pounds of marijuana or another drug.

I remember the days when if law enforcement made an arrest with a pound of cocaine it was a lot. Now they are talking in hundreds of pounds and tons. The street prices of cocaine continue to drop. All of this signals to me we need a new efforts. And I hope you are here today to present that to us.

I thank the chair.

Senator COVERDELL. I thank the Senator from California. And I would turn to our senior Senator from Florida, Senator Graham.

Senator Graham: Thank you, Mr. Chairman.

I have a statement that I would like to enter for the record. I have just a few comments first.

The Nation is very fortunate to have General Barry McCaffrey in its service. I have personally had the opportunity to work with him when he commanded the United States Southern Command, and now in his position as Director of the Office of Drug Control Policy. He is a uniquely able and dedicated person, and I think brings the set of skills that are most likely to lead us to the destination that we all seek in terms of an effective national policy on drug control.

Three quick points. One, I believe that we are in a period of opportunity now, that there are some positive things that have and are occurring that we can take advantage of. I think we have, under General McCaffrey, moved toward a more effective, aggressive policy. We also have some changes outside the United States. One specifically is the change that has just occurred in Columbia, with the new President with whom we can have some normal relations and, I believe, through those normal relations, encourage a renewed partnership in a critical area for our success in our drug policy.

Second is that we need to enhance our capabilities to take advantage of this opportunity. And that is the essence of the goal of the legislation that Senator DeWine and many others of us have introduced and have been supporting components of it throughout the appropriations process.

And, finally, the strategy that is adopted has to be one that we are prepared to sustain for a significant period of time. We have had in the past a policy that I would call chasing the problem. If the problem was in the Caribbean, we focused on the Caribbean. If the problem was on the Southwest border, we focused on the Southwest border. And the consequence of that chasing the problem has been that the people that we are trying to defend against are not stupid, and they see where the weaknesses are, and they adjust their strategy to our vulnerabilities.

So this, again, is an effort to adopt a policy that we are not going to be adding resources in the Caribbean to the detriment of our effort on the Southwest border, but rather to have a consistent, sustained policy of strength across the border of the United States, to protect us to the maximum extent possible against the flood of drugs.

Thank you, Mr. Chairman.

[The prepared statement of Senator Graham appears in the appendix on page 68.]

Senator COVERDELL. General, we are going to turn to you in just a second.

These presentations were somewhat longer than I had originally anticipated, but I think they were important. It underscores a rising interest in the Congress. I think we are coming to a period of more boldness. And it is clearly bipartisan, which is I know something that you have diligently sought to achieve, and I think is eminently expressed in the presentations that you have just heard.

And so, with that, General, echoing others here who have commended you for your efforts, I extend to you a hearty welcome to the Congress on behalf of these two committees that are increasingly focused on this issue, and I would turn to you for your testimony.

STATEMENT OF GENERAL BARRY R. MCCAFFREY, DIRECTOR, OFFICE OF NATIONAL DRUG CONTROL POLICY

General MCCAFFREY. Thank you, Mr. Chairman. I truly do appreciate the opportunity to come over here and testify on this bill.

It is interesting, as I look at those of you who have come to this hearing, I owe every one of you a personal note of gratitude for your support over the last 2 and a half years: Senator Grassley for his leadership on the Drug-Free Communities Act; Senator DeWine, who probably has a broader view of the drug issue than most of us, for his involvement as a former county prosecutor and on the whole demand side of the house; you, Mr. Chairman, for your involvement in the OAS and the hemispheric approach; Senator Biden who created much of this thinking and has been a source of strength to me; Senator Feinstein, I applaud your focus on the Southwest border—and I will go on to endorse your remarks and explain what we are trying to do to respond to your concerns; and Senator Graham for being so aware of what is going on in the Caribbean and Latin America and for being supportive of us throughout this period.

I brought some important people with me—and you need to know they are here. They have consulted with me, and I depend very heavily on their own thinking. Perhaps it would be useful for you, Senators, to see them:

Brigadier General Howard DeWolf, U.S. Air Force, who is the Commander of our Joint Interagency Task Force South, in Panama; Rear Admiral Ed Barrett, U.S. Coast Guard, Commander of our Joint Interagency Task Force East, in Key West; Rear Admiral Dave Beltz, U.S. Coast Guard, Commander of Joint Interagency Task Force West, in Alameda, looking out toward the Pacific; Brigadier General Dorian Anderson, Commander of Joint Task Force 6 in El Paso, who coordinates the U.S. armed forces support for domestic law enforcement; Mr. Frank Schultz, who is here representing the National Defense Intelligence Center; and finally and probably most importantly, Mr. Tom Umberg, who is my Deputy Director for Supply Reduction.

These people are available to you for consultations. I will keep them for the remainder of the day. We are working with them to understand their own evolving concerns—and they are certainly available to talk to your staffs or to respond to your own interests.

I have some quick comments. Let me just place some markers in front of you, and then perhaps, during the course of responding to your own interests, we can develop these ideas. I will not go through the documents. It is important, though, for me to suggest again that this has gone from a $15.4 billion program, involving hundreds of thousands of people, to a $17.1 billion program, with more than 50 U.S. federal agencies involved, in addition to State and local and NGO activity.

We cannot manage the drug problem with audibles at the line of scrimmage. I have had a career of managing people, machinery, and dollars. We must have a strategy, a concept. We have got to have projected budgets. If we do not do it this way, if we do not have a 10-year focus on this problem, we will never make progress. There are arguments that some of our efforts over the last several decades has not been useful. However, we do have a strategy. It is a document that you, by law, have asked me to craft. I submit it for your consideration. This is the way to evaluate what we are doing—are we following our strategy or not?

We have a 5-year budget. It is not very good, but it is our first effort. Frank Raines and I got the nine cabinet secretaries with major appropriations bills continuing drug-related funding to express their views for the outyears. It will be better when I turn it in this year. I encourage you and the news media, with your debate and your focus, to see if our budget can be pushed into alignment with our strategy.

Finally—and Senator Feinstein has been very involved in this—we do have performance measures of effectiveness on the table. There are 94 of them. Only 39 of them have established data bases by which we can grade what we are doing. This year, I hope to come down with annual targets for many of the performance measures which now exist in 10- and 5-year targets.

Moving down into the operational level of managing this process, there are some important people involved besides the departmental secretaries. The Commandant of the Coast Guard is our interdiction coordinator. Bob Krainek, and now Jim Loy, have done a splendid job with modest assets, to try and bring together the thinking and Federal resources upon this problem. We also have an interdiction committee, which has been focused on the Southwest Border.

There is a threat analysis detailing what we are trying to achieve. In my view, we must not appropriate money or start programs unless we can explain to ourselves convincingly that they are based on a threat analysis. These are classified documents, because we have a first-rate effort now ongoing both by the National Drug Intelligence Center, the El Paso Intelligence Center, and the CIA operation, CNC, to evaluate in a way that makes sense, what the drug threat is. In cocaine, heroin, marijuana, methamphetamines, and PCP, we are doing that work and trying to devise programs.

We do have, out of this interdiction committee, internal documents in which we have looked 5 years out and said, what do we need in the way of machinery and assets to construct a more effective drug interdiction program? We are trying to build our budget to support that plan.

Finally, the Commandant of the Coast Guard, acting as the interdiction coordinator, is putting together the resource requirements; the options and the recommendations. So I am making the rounds of our government. I have personally met one on one with about half of our cabinet secretaries to get their fiscal year 2000 budget and their 2000 to 2004 plan to tie into what we told you we do in these documents. I want you to understand these are not words, these are programs. We are trying to develop a sensible way of going about our business.

Mr. Chairman, I have prepared a written statement and some charts, which I would, with your permission, submit for the record.

[The charts referred to by General McCaffrey were not available for reproduction in this hearing record.]

One of the more useful things that will come out of this hearing is I think you have encouraged a very intense analysis, above and beyond our normal dedication to this subject, about the merits of this bill. The process of writing this statement and getting it cleared by my colleagues has been very useful.

Let me show you what is up there on the charts. Tiffany, if you will, take down the first one. The next two charts demonstrate there is an external drug threat and, by and large, we do see the shape of it. We know where the cocaine and heroin is produced. Indeed, we probably know more about growing regions courtesy of the CIA than we do about heroin abuse in Baltimore and why people are using drugs.

We have the overhead coverage and the HUMINT to have a reasonably effective gauge of where people are growing these drugs.

Next chart.

We have put more resources against this problem, and I will just show you a few quick illustrative years. You can see a 41-percent increase. I have given you a breakout by major department of government. I would also underscore that if you go back to the 1992 budget, which was a little over $2 billion, the interdiction raw dollars are just over $1.8 billion. So we are somewhat below where we were.

We cannot do static analysis of the problem. The bad guys moved from the Caribbean and air and sea smuggling into Florida, and then started into Mexico. They are capable of responding very quickly. We cannot leave the Caribbean unguarded. We have a major initiative going on there. However, the raw interdiction dollars had to follow the threat.

This is not to argue that increased interdiction funding is not needed, but merely to state that we cannot just say, by year, there has been a reduction and therefore we ought to go back where we were before.

Next chart, Tiffany, if you will.

This one illustrates the INL budget and the general source country approach. We are putting significantly more resources into it. I am concerned—and I think Senator Biden commented on it—the 1999 budget we have in front of the Congress, has been cut significantly in one or both houses; this is also true in many key areas of our interdiction effort.

The Coast Guard funding is not as we asked for it. We are in danger of imbalancing the U.S. Coast Guard and not giving them

the flexible organization they need to protect the United States. The INL budget has been cut. I do not know what will come out of conference, but I just put that in front of you for you to consider as you go about the appropriations process.

Next chart.

Senator COVERDELL. General, is that figure, the one that Senator Biden referred to, the $53 million? What is the amount?

General MCCAFFREY. I can give you a matrix of the nine bills I track and their components.

Senator COVERDELL. OK.

[The information referred by General McCaffrey to was not available at press time.]

General MCCAFFREY. Right now it is hard for me to gauge where it is all going. In some cases, I am being reassured it will get solved in conference and in other cases I am not sure. Things like the Coast Guard are particularly sensitive. If we drive their fundamental infrastructure into the ground, whether we give them money for drug missions is irrelevant, they will not be able to do what we ask them to do.

Now, we have done a lot of work, George Tenet is one of my heroes. Tom Constantine and the DIA, who actually owns this process, have put together a pretty good analysis of how cocaine moves. We are trying to say: let us operate against the threat. That is the analysis for the last 6 months and I think we are finally getting it where it needs to be.

Next chart.

Here is an issue that I am sure will be the subject of future hearings. We are involved in a very intense debate in the executive branch. We have completed two initial studies, one called the *Intelligence Architecture Review,* which is mandated by law by both the House and the Senate intelligence committees, for me to explain who collects drug-related intelligence and on what automation systems, how is it communicated, and what should we do to improve it. We finished that study. We are trying to package intelligence so it supports the Border Patrol sector commander, the Customs SAC, the sheriff, and the police chief. It is great intelligence, but it did not link up. We will try and fix that before we leave office.

There are other aspects of this Southwest Border Coordination Plan.

I have submitted an emerging concept paper to many of you. There is a reasonably detailed plan, a white paper, that is now out to my 14 cabinet colleagues for evaluation. By the end of the fall, we owe the President an explanation of how we should fix the Southwest Border. It is achievable. We can use technology, non-intrusive inspection systems linked intelligence, changed manpower, and doctrine to protect the American people along the Southwest Border.

We have got one of the best law enforcement people in the country, Ray Kelley, as our Customs Service Chief. To echo Senator Feinstein's words, this is an experienced, solid police officer. Last year we inspected 911,000 trucks, found 16 with cocaine, and found cocaine on one rail car. The magnitude of the effort—20,000 brave men and women of the Customs Service worldwide—12,000 Federal

people on that border, and we found cocaine on 16 trucks and one rail car.

In 1997, we inspected 1.09 million trucks out of the 3.5 million that crossed the border. We found six trucks and one rail car with cocaine. We cannot deter or seize heroin, cocaine, and methamphetamines out of these 82 million cars, trucks, and rail cars that come across that border unless we give the Customs Service and the Border Patrol the tools they need to do their job. That is where we need congressional focus and resources.

Finally, to put the bill you are now considering in context; a lot of this seems to be aimed at cocaine. It ignores the biggest drug threats to America—the pot, booze, and cigarettes consumed by American adolescents—which promote gateway drug-using behavior. I am on the edge of science when I use the term "gateway," but it is clear that 12- to 18-year-olds that smoke a lot of pot and smoke it earlier, along with using alcohol and cigarettes, are at grave risk of compulsive drug-using behavior.

Much of this bill, which I welcome as a vehicle for discussion, focuses on cocaine. Less cocaine is being produced in Latin America. This is good news. Peruvian cocaine production was down 27 percent last year and 40 percent in the last 2 years.

Columbia is a disaster, but for the time in history the overall cocaine production actually came down 15 percent, from 760 metric tons to 650. The source country strategy can work if smart cops, sensible alternative economic development programs, and good interdiction campaigns are used.

We are seizing significant quantities of cocaine in the transit and arrival zones. In 1997, we seized 85 metric tons. That is 60 percent more than in 1996.

I have got to be careful about that, because if you back off and look at it for 10 years, we always seize about the same percentage of the crop. Regardless of what we did between American law enforcement, the interdiction zone, and the source country seizure strategy, we always got about a third of the crop. We are up in 1997; 1997 was the third consecutive year of increased transit zone seizures. A lot of that we owe to smart work by the U.S. Coast Guard, the DEA, the armed forces, and JIATF's, specifically JIATF South, in Panama.

We have continued the success in the first 6 months of 1998. We seized 54 metric tons in the Mexico corridor, 14 in the Caribbean, and 13 in the arrival zone.

If I may, Mr. Chairman, let me talk about the bill. The bill has some good aspects. It is hard for us to disentangle, though, what I would respectfully suggest includes an awful lot of micro-tactical details that drag with them a $2.6 billion tail of specified actions. Some of that detail concerns me.

First of all, though, the goal of the bill—reduce the flow of illegal drugs into the U.S. by 80 percent by the end of 2001—I would argue is completely unrealistic. You should not give me a slogan to use when I pull together the interagency group. These are serious people, the Secretary of Defense, the JIATF commanders. I would argue that the target is unachievable. It is only 3 years away. We would have to conceive a strategy, buy equipment, field it, and im-

plement operations. We could not do it that quickly. I ask you to not set this unachievable target.

I would also suggest to you that I am nervous, as I go through the laundry list of items in the bill and talk to the various departments of government; we have got in Federal legislation a million bucks of barbed wire for LaPicota Prison, in Columbia, and tunnel sensors. Barbed wire is not the problem in LaPicota Prison. It is corrupt people running the prison. They are out on the weekends, back downtown in Bogota. The barbed wire, a couple of million bucks, is not the problem.

It specifies a base in Puerto Maldonado, Peru. We should not specify to our CINC, to our interdiction coordinator, and without consultation with a foreign government, where to place a foreign-based drug interdiction operation. It specifies two mobile x-ray machines for placement along the Chapare Highway, in Bolivia. These are $3.5 million machines we need on our Southwest Border along these 39 ports of entry. If we put them into the Chapare, it would be the most advanced technology within a thousand miles of the Chapare. These are backpackers—ants—that move around these roads, as well as truck travel. I would argue that placing those two machines there, which are not coordinated in any way with an Andean Ridge strategy, might be alleged as a misappropriation of Federal dollars.

There are some huge dollar items in the bill. There is a $400-million buy to bring P–3B domes out of the desert, rebuild them, and deploy them into Latin America; to get 10 more P–3B Slicks, with a $150 million rebuild, and pull them out of the desert. We now have eight total Customs aircraft. That would be 20 new ones. Where is the air base to support them, the in-country access, the personnel to man them, and the OPTEMPO in the outyears.

And who says I would spend $2.6 billion in that manner? The drugs that are killing kids in Orlando, Florida, come in on commercial air. And they come in through Puerto Rico and Haiti in cargo vessels. The P–3B will not address that. The drugs that are killing kids in California are methamphetamines and cocaine crossing the border in 18-wheel trucks and rail cars. They are not in light aircraft, flying in through Mexico and across the border.

I do not mean to argue against that program, except insofar as to say that it does not fit the intensive work by Admiral Loy and his colleagues, acting for me, as the interdiction coordinator. I would just ask you to be cautious as we look at this bill. I think it is a good vehicle to focus our attention on what you believe is perhaps an inadequate energy level on the subject. However, I think this would be a bad bill to pass. I am worried that it might provoke supplemental appropriations that would actually get spent this way. That will cause us problems.

Thank you very much for the opportunity to appear in front of your committee, and I look forward to answering your questions.

[The prepared statement of General McCaffrey appears in the appendix on page 84.]

Senator COVERDELL. Thank you, General.

Why don't we limit the questions to 5 minutes, if everyone is agreed, and we can get these machines on.

General, first of all, I appreciate very much your testimony. It was enlightening, to some extent comforting, but also bothersome, because I do think I hear you saying there is a resource deficiency. You are arguing about how to distribute that. You do not want your hands tied. Which is not unusual for the executive branch.

You said something that I would like you to elaborate on during my brief time—the border. You talked about a million vehicles and six trucks and one train car. It sounded to me as if you were describing an almost hopeless exercise there—lots of resources, lots of money, not a lot of return. And then you have also talked about technology. I have heard you talk about the technology at one of 39 points of entry and how effective it has been.

Are we, in your judgment, moving the technology—it seems to me that technology could be acquired and moved more quickly than some elements of the plan. Elaborate on the crisis on that border and the numbers that are coming across and the findings that are occurring, which suggest the system is not working. What can we do to improve this, and more quickly?

General MCCAFFREY. We have done a lot of work on counterdrug technologies. We have some tremendous studies done by the Customs Service in particular, but also by the Border Patrol. We now have a white paper and are starting to develop the resource implications of it. We have tested some of the technology. As you know, we have six in place. We are deploying a back-scatter device. Originally, there were only two in California. Now we have them in El Paso and others are going into other places along the border.

The situation is not hopeless. In my professional judgment, which is buttressed by listening carefully to the professionals of the Customs Service, the intelligence services, the Border Patrol, and the DEA, if we give the Customs Department non-intrusive technology and a linked intelligence system, if we build selected areas of the border with fencing, lighting, and an adequate-sized Border Patrol, whatever that is—for discussion purposes, I have said 20,000 people; it was 3,000 when this administration came into office; it is now 7,000; we have 12,000 miles of borders—this is not only a drug issue, we need to put in law and order along our border—we can do that.

Take for example Southern California and El Paso. In El Paso, we put in 22 miles of fence, some lights, and a few hundred Customs and Border Patrol reinforcements. We put in the first of two back-scatter devices. If you look at that 22 miles, where 60 tons of drugs are seized in the sector, only 500 pounds are seized, in those 22 miles.

The Border Patrol, fencing, lighting, and enhancements essentially have forced this stuff back into the Customs port of entry. Furthermore, 10 years ago, if you got orders to Fort Bliss, Texas, your car insurance tripled above anywhere else in the country. Today El Paso is the third safest city in the country. If you go to the California frontier, we have 48 miles of fencing, a few hundred Border Patrol people, and a little technology. Four years ago there were 60 murders in that year. Last year there were zero.

Senator COVERDELL. General, can this be accelerated?

General MCCAFFREY. Yes. But we have got to know what we are doing. This is a big piece of work to do. We have to have a plan. We cannot call audibles.

Senator COVERDELL. I understand your wanting it to be fitted.

General MCCAFFREY. Right.

Senator COVERDELL. I am just wanting to——

General MCCAFFREY. We have to get Transportation, Commerce, Treasury, Justice, Defense, and State to continue their tremendous efforts.

Senator COVERDELL. Well, working off Senator Biden's comment of emergency status, and in concert with the plan—at least for this Senator—one of the objectives or one of the goals should be acceleration.

General MCCAFFREY. Absolutely.

Senator COVERDELL. With in concert of long-term goals.

General MCCAFFREY. I agree. Yes.

Senator COVERDELL. I turn to Senator Grassley.

Senator GRASSLEY. Thank you very much, Mr. Chairman.

And thank you, General McCaffrey, for your testimony. According to your agency's own figures, in 1987, 29 percent of the national drug control budget was allocated to demand reduction, 38 percent for law enforcement, 33 percent for international interdiction. By 1997, those priorities shifted to 34 percent for demand reduction, 53 percent for domestic law enforcement, and 13 percent for international programs and interdiction. In short, then, programs to suppress or interdict drug supplies went from 33 percent of the overall budget to only 13 percent.

As a portion of the overall drug control budget, it is very clear that spending on interdiction and source country actions have declined precipitously from that peak. In your opinion, then, is this because the domestic threat is proportionally greater now than it was then?

General MCCAFFREY. Senator, first of all, the raw dollars spent on the drug issue have gone up enormously during that time. Between 1987 and the fiscal year 1999 budget request, total funding devoted to the drug issue was just enormous. And, in a grand sense, it has worked. Drug abuse in America has come down dramatically. The number of Americans casually using cocaine, from 6 million to 1.7 million; the amount of dollars we spend on drugs about in that timeframe came down by a third; drug-related murders, down by a third. The money, in my judgment, in the broadest sense, actually has helped dramatically.

Having said that, drug interdiction dollars have not gone down precipitously. They are almost where they were in fiscal year 1992; $2.1 billion, $1.8 billion—they are in the same ball park, and the drug threat has moved. I would not want carrier battle groups, Aegis cruisers, on work-up for the Mediterrean, doing Caribbean patrols and claiming that was drug interdiction dollars. It was not a very good way to spend money in 1987; it certainly would not help today. If we had the same level of funding, it would not go for an Aegis cruiser in the Caribbean.

Senator GRASSLEY. Well, are you saying money is being spent on interdiction, but being spent in a more effective way?

General MCCAFFREY. The raw dollars, in other words, in 1987, included sort of spasm activity, in my judgment—I was in the Pentagon at the time—in which we would take an Aegis cruiser deploying to the Mediterrean, we would put them into the Caribbean; they would look for light aircraft in the dark and then deploy to the Mediterrean, and we would say that was a drug-related function. Of course you can find the light aircraft with an Aegis cruiser. But if we had that dollar today, we would not spend it on a Aegis cruiser, we would spend it at Eagle Pass, Texas, on an x-ray machine.

So, again, the static analysis is very difficult, but we have got the total interdiction funding back up to only .4 million below the fiscal year 1992 levels.

I think the other thing we really have to do—rather than look at percentages—is look at the strategy, I have written a strategy and told the government: you had better explain what you are doing in terms of this strategy. If you go to goals four and five, I would ask the Congress to track the issue not in terms of departmental budget increments, but who is doing what on this function.

Senator GRASSLEY. OK.

General MCCAFFREY. I think we are going to be better off in the long term if we do that.

Senator GRASSLEY. Let me ask you about the closing of Howard Air Force Base. How important do you believe it is to find another location base for U.S. drug interdiction resources in Central America? Does the United States currently have a location that can effectively relocate the current drug interdiction assets of Howard? And how will the loss of Howard affect our current detection and monitoring abilities in the Caribbean and in the Andean regions?

General MCCAFFREY. It is a sad situation. The gross number is we flew 3,000-some-odd sorties a year of counterdrug operations or support out of Howard. It was in the right place. It was 2,000 dedicated airmen of the U.S. Air Force supporting not only military operations but Customs, Coast Guard and others. It is really too bad. Although we have not closed off discussion, we are looking at alternatives.

Senator GRASSLEY. So as of now there are not alternatives?

General MCCAFFREY. We do have an existing base at Roosevelt Roads, which is first-rate, which will accept some add-ons. We do have through-put capacity at Sotocano, Honduras, and we are exploring with our international partners what we will do in potential transit rights in the region. But the loss of Howard is too bad.

Senator GRASSLEY. But at least for a period of time the capability of doing what we do at of Howard will be less?

General MCCAFFREY. Yes, I think that is probably the case.

Senator COVERDELL. All right. Senator Biden.

Senator BIDEN. Thank you very much.

General, you have in front of you a group that I think can and will act in a bipartisan way. In our little side discussion the chairman and I were having here, one of the things we both have as a goal here, although we may end up disagreeing on the exact emphasis, is that within your plan, we would like to know what it is that we could fast-forward, speed up, if we provided you the dollars, to enable your plan to best be implemented the quickest.

And since we only have 5 minutes, I would like to just briefly touch on a couple of points. First of all, back on May 13th of this year, after a discussion with you in my office, if I am not mistaken—although I am not positive whether this came before—immediately before or immediately after—I wrote a letter to Speaker Gingrich. And Speaker Gingrich had introduced a bill or talked about introducing a bill, which he referred to as the Drug-Free Borders Act.

And in that I indicated to him, although I had not seen the Act, he and Congressman Hunter were talking about that, and that I had met with Customs. And we had gone into detail as to what their ideal wish list would be of all the things they would need at the border in order to enhance their ability to detect transiting of drugs. And I had, back the previous October, argued that we should speed up this additional funding.

The bottom line was it was about $100 million for 22 border crossings, the technology, including mobile x-ray trucks, the MTXR, gamma imagers, heavy pallet x-rays, rail car examinations, system high-energy truck x-ray systems, *et cetera*. Now, what I asked at that time was that the Speaker—I strongly supported his effort—I hope he would include not only the 100—actually it was $100.4 million for this technology to buy it all, at the time—and that it would be appropriated.

Now, to the best of my knowledge, that has not been appropriated either in our side of this Capitol, the Senate, or in the House. My question is this: If you were able to get an appropriation of $100.4 million now—and I will ask this of the Border Patrol folks, as well, and the Customs people—would you be able to, with an efficacious effort here, put it in play? Would it be helpful for us to speed that up—give you all the equipment on the wish list—not take it from other places?

If we said to you, hey, we got George Soros, although he lost a couple of billion bucks, he is going to buy a 100 million bucks worth of this stuff for you; you can have it immediately, what would be your response?

General MCCAFFREY. Mr. Senator, when we went into the ISTEA bill, we had some very intense discussions.

Senator BIDEN. Yes.

General MCCAFFREY. Congressman Denny Hastert was the quarterback in the House, with the Republicans, and we had a lot of discussions.

Senator BIDEN. Right.

General MCCAFFREY. We went after $540 million. We got $30 million. There has been a tremendous disconnect between rhetoric and voting in the appropriations acts.

Senator BIDEN. I got that. I am sorry to cut you off on this, but if we got together, this group right here, and we said, OK, we are going to go to bat in a bipartisan way and we are going to make a hell of a ruckus on the floor together to get you that 100 million bucks, would you want it? Do you need it?

General MCCAFFREY. I think there are unfulfilled requirements, particularly in the Southwest Border and in the Coast Guard operations. But the President's budget request is the place to start, be-

cause we have a rational analysis there. Once we are outside that, we are ad-libbing with $100-million buys.

Senator BIDEN. No; I understand that. But here my time is about to be up. I have been doing this job for a long time, and I have found something real simple. If I can make an analogy for you. When I introduced the crime bill that ultimately became law, I tried to get people to vote for prevention money. I could not get anybody to vote for prevention money. That was viewed as wasted money.

So then I came up with a very specific thing. I said I am going to put this money in for Boys and Girls Clubs. That made it impossible for all these guys and women to vote against prevention. It was a simple, pure political tactic. A first-rate operation, but then I told everybody I would go home and say, you know what, your Congressman or your Senator says they are for dealing with crime. Guess what? They voted against allowing you to build another Boys Club. And guess what? All of a sudden, everybody became a disciple of prevention, as long as it was Boys and Girls Club.

I am being very, very—these guys are not—not these guys—and women—we are not giving you what you ask for. It is not fair, in my view. We are beating the devil out—not this panel—but we are beating you up for not getting the job done. You are getting an awful lot of the job done. We are not giving you the money you asked for. You are asking—we have a bill here for more money for interdiction. We have cut your interdiction budget already this year, without even this. So it is not fair.

So what I am trying to figure out—and I will end with this, because my time is up—I am trying to figure out is, OK, I cannot get you what you—I cannot—we cannot get you what you need apparently, but there is a bipartisan group here that will say, OK, let us cherry-pick a little bit here. It makes it awful hard for anyone in California or who goes to visit California that will say, hey, you know, I voted against the $100 million which would have provided all those x-ray machines there. I am being purely tactical here.

And I guess I do not want to do it if it screws up your overall plan. Do you follow me? If it is taken from other places in your budget, then it is dangerous.

General MCCAFFREY. Right.

Senator BIDEN. It is a mistake. If it is an add-on to what you have and what you are not getting, then I would like you to think. You do not have to answer me now. But, for the record, let us know whether or not, without taking it out of the other parts of your budget, if we could get that for you, would it be helpful to you?

I will wait for a second round to go over this.

Senator COVERDELL. I think we are talking, what is the plan for acceleration? What is the plan for acceleration?

Senator DeWine.

Senator DEWINE. Mr. Chairman, thank you very much.

Let me just followup on that, General. And I think there is a lot more we all agree on here today, General, than we disagree. And I am sure what always is looked at is what we disagree about, and that is more interesting. But I think we all agree on a great deal.

I would just encourage you to continue to work with us. I think, as you have identified, or members here, and there is a lot more

other members in the Senate, frankly, besides the ones who are just on this panel, who are very interested in getting you the resources that you need. And we can get down into the particulars of whether you need this particular resource or not. I think the bottom line is, at least for this Senator, you do not have the resources and we have not supplied you with the resources. You need more resources.

If you just look at the chart that I referenced earlier, we can talk about percentages or we can talk about raw dollars or we can talk about programs. I think no matter how you look at it, we are not putting the resources in interdiction that we should. If you look at it as a percentage, I just find no logical reason why we have gone from basically a third down to about 12 percent. It just does not make any sense to me.

If you look at the raw numbers, as you have——

General MCCAFFREY. Senator——

Senator DEWINE. Let me just finish, if I could, then I will be more than happy to let you respond. But if you look at the overall dollars, it is troubling when you say, well, Senator, we are about where we were in 1992, we are just spending it better. I understand that. But if you look at some of the specific changes—and I realize these are not all—the data is not all up to date—but let me just give you a couple of examples of how this has played out in the real world.

Department of Defense funding for counternarcotics decreased from $504 million in 1992 to $214 million in 1995. As a result, the number of flight numbers by AWACS planes had dropped during that period from 38,000 hours in fiscal year 1992 to 17,000 hours in 1996. U.S. Coast Guard funding for counternarcotics decreased from $443 million in 1992 to $301 million in 1995. And we could go on and on and on.

It plays out in the real world, though. It plays out in the real world. I had the opportunity to, as you know, travel off the coast of Haiti and off the coast of the Dominican Republic several months ago, and looked at our Coast Guard and looked at what they were doing. There is an October 1997 GAO report that says that of all the cocaine moving through the transit zone, 38 percent is being shipped through the Eastern Pacific.

When I visited JIATF East a few months ago, I was told the Eastern Pacific is wide open for drugs, in that area right up there, and we have got virtually nothing going on. That is the problem. And we can talk about percentages and we can talk about raw dollars, but the bottom line is we have got areas that we are not covering at all. Or at least that is what I was told when I was down there. That is true, is it not, General?

General MCCAFFREY. Let me start off by saying I in no way would suggest that we are not receptive to your views on increased interdiction funding. Yours is a legitimate assertion. However, the raw dollars are about the equivalent. The threat has changed.

From 1987 to 1999, we have gone up .4 billion. International funding has gone from $221 million to $548 million. So it peaked in 1992 and then dropped significantly. We have brought it back up about where it was.

The total dollars devoted to the drug issue has gone up dramatically. One reason is we have got 1.7 million people behind bars today; somewhere between 50 and 80 percent of them there for a drug-related reason. If you look at the total fiscal year 1999 package, 52 percent of it is law enforcement and prisons.

Senator DEWINE. I agree. Let me just, if I could——

General MCCAFFREY. That is part of the dynamics of this.

Senator DEWINE. That is true. I want to say something, though, that Senator Feinstein said. And I wish I had said it. You know, I guess it is the best compliment, Senator, always to say when someone says something, you wish you had said it. And that is, when we look at this division, and the fact that you just brought up how many people are behind bars, the reality is that that is predominantly a State and local responsibility and a cost. When you are talking about what the Federal Government can do, what our responsibility is as United States Senators, drug interdiction at our borders, source country, in transit, that is something that the States really cannot do anything about. That is our responsibility.

And so what is disturbing to me is that when you look at the percentages, what you find is the one area, the one area, where we have a sworn responsibility to deal with this, and where no one else really—State cannot do it, local cannot do it, we have to do it—and that one area is the one area that the percentage of our effort has gone down. And it has gone down dramatically. That is the only point.

So when you cite how many million people are behind bars, that is absolutely true, and that is part of our overall national anti-drug effort, absolutely correct, General. But if you look at what our responsibility is in the Congress, our responsibility is to do that which no one else can do. This is an area that no one else can do.

No one else can send Coast Guard ships out there. No one else can interdict those drugs. No one else can have AWACS planes up there. That is our responsibility. And, frankly, we just want to work with you, and try to increase the resources you have to do the one thing that only the Federal Government can do.

General MCCAFFREY. Yes.

Senator DEWINE. It is our responsibility.

General MCCAFFREY. I could not agree more. But, again, we have to analyze it by the goals of the strategy. Because if the drugs move into Mexico, the U.S. federal interdiction effort is now on the Southwest Border. Those dollars are in Departments of Justice, Treasury, Interior, Defense, *et cetera*. There are 12,000 people, a division-sized group of Feds, on the border today. In 1987, it was a fraction of that.

There is a huge, sensible, aggressive effort to protect the American people. Our problem is it will not work without technology and intelligence. So it is not just people and dollars. It has got to be smarter use of non-intrusive technology. That is why the interdiction function is not an adequate judge of goal four and five of the National Drug Control Strategy. We have got to stop crack cocaine.

If you are in the Eastern Pacific—and I share your concern that there is not a permanent Navy or Coast Guard presence out there—but we are trying to get them. When they come into Mexico on the West Coast—and the Marina and the Coast Guard are

working pretty effectively together, thank God—there is an active program of, intelligence sharing and interdiction at sea. They bring the drugs into Mexico and then they have got to come across one of the 39 ports of entry or hook around the Pacific. We have programs there that are not under the interdiction function.

Senator DEWINE. And I appreciate that. My time is up, General. Thank you very much.

Let me just, as a postscript, simply add, though, General, to think that that whole area of the Pacific is not covered is just—it is inexcusable. I mean we as a country cannot have that. That has to be changed.

Senator COVERDELL. Thank you, Senator.

Senator Feinstein.

Senator FEINSTEIN. Thanks, Mr. Chairman.

And thank you, Senator DeWine, for your comment. I really appreciate it.

General McCaffrey, I have a number of questions. So if I could fire them off, and you try to directly answer them.

How much would it take to have a complete package of high-tech x-ray scanning equipment, fully adequate, at each of our three ports of entry on the Southwest Border?

General MCCAFFREY. There are 39 border crossings and two maritime flanks. I do not know the answer to that question.

Senator FEINSTEIN. Could I get an answer of what it would take? You see, one of the problems is you go out there and people say, oh, we do not have adequate equipment, oh, this is inadequate, that is not, Congress does not give us the money to do it right. What would it take to put all of the know-how we have in terms of this non-intrusive scanning equipment wherever we need to put it on the Southwest Border? And I think then we should go to bat to get that money, get it delivered, get the equipment there, and frankly, end the excuses. We then have the equipment. May I ask you to prepare that estimate?

General MCCAFFREY. The executive branch is trying to come to grips with just that question. The machinery, the people, and the intelligence.

Senator FEINSTEIN. Is that yes, that you will do it?

General MCCAFFREY. We are doing it. But I have to get my nine cabinet colleagues to agree with me.

Senator FEINSTEIN. All right. I am asking you for a number, with some documentation.

General MCCAFFREY. I will try and get that number and documentation to the President this fall and then forward it to the Congress for funding. That is what we are trying to achieve.

Senator FEINSTEIN. OK. All right. Next quick question: In the recent GAO report, dated July, on internal control weaknesses and other concerns with low-risk cargo entry programs, they make a number of recommendations, which I went over in my opening remarks. Treasury has answered. Treasury said that they have written, in its comments at Customs offices of field operations, plans to publish the line release quality standards in the form of a headquarters directive by the end of fiscal year 1998. Have you reviewed—we are just about at the end of fiscal year 1998—have you reviewed those line release quality standards?

General MCCAFFREY. No, I have not.

Senator FEINSTEIN. May I ask that you do so?

General MCCAFFREY. Yes, ma'am.

Senator FEINSTEIN. For me. If anybody gives you flack, ask them to call me.

General MCCAFFREY. I am sure they will be quite glad to do it. I am sure it is at the Department of the Treasury right now. We do have a first-rate professional, Ray Kelley, who is coming to grips with that problem.

Senator FEINSTEIN. I agree with you, and I appreciate that. And I know Ray Kelley. And I am delighted he is there. But if you would do that, I would appreciate it.

Now, with regard to another recommendation made, apparently Treasury agreed that the three-tier program should be suspended until more reliable information is developed for classifying low-risk importations. This was the program that the Customs people said was not working.

My understanding is that they are suspending it, and that Customs believes its other targeting methods are better able to fulfill the narcotic interdiction efforts. Would you take a look at that? And may I ask you, please, for your evaluation of that?

General MCCAFFREY. I will do so.

[The information referred to by General McCaffrey was not available at press time.]

Senator FEINSTEIN. Thank you very much.

Senator FEINSTEIN. And the third recommendation is that they are currently evaluating the automated targeting system at Laredo. May I ask you also to take a look at that?

General MCCAFFREY. I will do so.

Senator FEINSTEIN. Now, may I ask for your comment on this morning's *New York Times*' article? And this obviously has to do with the elite Mexican drug officers that are allegedly tied to traffickers. The article contends: Officials said at least some of those investigators whose tests—polygraphs—indicated collusion with traffickers had been chosen for their posts after elaborate screening devised by Americans.

Is that statement true?

General MCCAFFREY. Yes.

Senator FEINSTEIN. Then it goes on to say that most senior officials in the unit were implicated by the lie detector test. And it goes on to say: Officials said they feared that much of the sensitive information that American law enforcement agencies had shared with the Mexican unit during the last year might have been compromised.

Is that correct?

General MCCAFFREY. I read that article this morning. I have talked to the DEA and the INL. There is an ongoing operation to look at penetration of this unit for several months. The Mexicans came to us and identified the problem, and went after it. We are working with them.

It would be unhelpful to reveal the details of an ongoing law enforcement operation at this time.

Senator FEINSTEIN. OK. I accept that. But there is going to be an investigation, and we will get an answer. Right? Right.

Senator FEINSTEIN. My time is up. Thank you, Mr. Chairman.

Senator COVERDELL. We now turn to Senator Graham, of Florida.

Senator Graham: Thank you, Mr. Chairman.

I would like to ask questions in two categories. First, General, I mentioned in my opening statement that I thought we had an opportunity in Colombia, with the new government, a government with whom hopefully we will be restoring normal relations. Could you give me your comments as to how your strategy or the pace of execution of that strategy would be affected if in fact there is a government in Colombia with which we can have positive relations?

General MCCAFFREY. Senator, it is very encouraging. We have worked with the new President, prior to his election—and I was part of the delegation to his inauguration—and his new Foreign Minister, who is a superb man; his Defense Minister, who is a very experienced public servant; their new Ambassador to the United States, General Topias; the new Commander of the Armed Forces and the other senior members of the military. He has retained General Sarano, who is a very courageous Colombian patriot.

They came into office with a commitment to continue the struggle against drugs. Probably no country on the face of the Earth has suffered more than Colombia from drugs. There is an absolute savage internal nightmare that has been going on for 20 years.

We think he is serious about the peace process. General Willen, the CINC, has been down there and met with their new military leadership.

What we have told them is we want them to develop a Colombian strategy for us to analyze and sort out how to best support. Internally in the U.S. Government, we are having a deputies meeting in the NSC about it; trying to sort out what do we do to best stand behind their efforts to promote peace, confront the drug issue, and produce alternative economic possibilities for 200,000 people out there growing coca and opium in a roadless, infrastructure-lacking part of Colombia where there is no military or governmental control over it.

The armed forces, in the 3 days prior to the inauguration, was just ending a massive, 17-province, countrywide offensive. They lost hundreds of their young boys in the police and in the Army, killed in action that week, fighting against 20,000 FARC/ELN guerrillas who have better weapons and better pay scales than the Colombian armed forces. We have a problem. We are going to work with this new government, but they have to develop their own strategy and the political will to confront the issue.

Senator Graham: General, the second question relates to the issue that you raised. And that is the coordination between your office and the administration and the Congress in developing and supporting an effective anti-drug strategy. The circumstance that you have just raised, of course, is not without many historical precedents.

During the Civil War, the Congress set up a committee to assist President Lincoln in developing a very detailed military strategy, which almost caused the Union to lose the war. We do not want to repeat that historical precedent.

So my question to you is—the group of folks here, we want to be your allies and we want to see particularly that you have the resources to carry out the strategic plan. I think most of us recognize the fact that we do not have the background, the capabilities, given our other responsibilities, the ability to focus sufficiently on this problem to develop that strategic plan. But we want to be a constructive force in seeing that a plan that we have confidence in—and I will say I have confidence in your plan—is adequately supported.

So my question of you is—and I think there is a sense of urgency on our part—how can we be most supportive? And maybe you have suggested one way in the terms of the immediate appropriations bills that are pending before the Congress, or in conference committee, to support the level of funding that your strategic plan contemplates for fiscal year 1999. I would like to ask if you could provide us with your analysis of where there is a gap between those two.

General MCCAFFREY. Yes, sir, I will do that.

Senator Graham: So we can have a target list to work against. And are there other ways in which we could be helpful?

General MCCAFFREY. I agree. We do have a challenge between Congress and the executive branch on this issue. I am dealing with 50 agencies, 9 appropriations bills, and 14 cabinet officers. The Congress does not match up now on this issue. I have tried to use the two appropriations committees for my issue, as a *de facto* oversight committee for drugs. But it is not going to work. We should consider how the Congress can have an oversight role.

Janet Reno did not receive $85 million in break-the-cycle funding out of the Senate or the House. This program is part of getting comprehensive drug treatment to 105,000 people behind bars in the Federal system. Two-thirds of them are there for drug-related purposes. We have to do break-the-cycle.

The Senate cut $200 million out of the drug treatment block grant funding. That was finally going to get us up to, for the first time in history, a $3 billion investment in the 4 million people who are compulsive, chronic drug users.

We have been cut on the Coast Guard budget. I do not know how this will come out. Defense got their money. The rest of them are selectively in trouble.

I will do an analysis and send it over to the relevant committees. And, Senator, I think that is a very sound suggestion.

Senator Graham: And would you also send a copy of that analysis to this panel?

Senator COVERDELL. I think this panel would need to see that information, if they might.

Senator Graham: Mr. Chairman, can I one last question, which I think may be a yes/no answer?

Again, going back to this issue of Congress/executive branch relations, the House has passed a bill, H.R. 3809, the Customs Reauthorization Act. The Senate Finance Committee reported out its version of that within the last few days. If you have had an opportunity to review that, I would be interested in whether you support it. And is it consistent with your strategic plan?

General MCCAFFREY. Senator, with your permission, let me provide an answer for the record. I would feel more comfortable consulting with Secretary Rubin and Mr. Kelley.

Senator Graham: Thank you.

[The information referred to above was not available at press time.]

Senator COVERDELL. General, we are going to adjourn this session. But it strikes me that one certain work that comes from this dialog was posed by the question that has been repeated by Senators from California and Florida and Delaware, all of us, trying to get a handle on deficiencies in current appropriation matters. If we could get that information rather quickly, because we are in a very tight time zone now, there might still be room for us to be of assistance.

In the year-plus of hearings like this, it strikes me—and working off Senator DeWine—that there are some fairly obvious deficiencies. Now, maybe we are just seeing—the one that was underscored by the Senator from Delaware, when he was trying to understand, well, if we can fund it, should we proceed to accelerate the technology on the border? And a year ago, Customs said that would take $120 million. And you used the figure of $104 million. And we are still looking for the figure.

So it strikes me that that is something we ought to resolve. Either you tell us no, you cannot, if you had the money you could not do it, or tell us what you can do.

And the third one, highlighted by the Senator from Ohio, is it strikes me over and over that the Coast Guard is underfunded for issues dealing with the Pacific and even the Caribbean. And if that is an inaccurate observation, then we need to know that. But these two, technology and the Coast Guard, just surface and surface and surface.

So if we are under-resourced there—and there may be others that are less obvious—I think there is going to be continued pressure. I empathize with your worry about coordinating with the Congress. That is difficult. It is like herding chickens. But we will have to prevail. It may get kind of messy, but it is the best process around.

And I thank the General for his attention.

Senator BIDEN. Mr. Chairman.

Senator COVERDELL. Yes.

Senator BIDEN. I apologize for being out of the room. Are we dismissing the General now?

Senator COVERDELL. We are dismissing the General.

Senator BIDEN. I wanted to ask him one more question, but I will ask him later.

Senator COVERDELL. All right, in deference to the next panel.

General, thank you for what you do. Thank you for your patience. And thank you for being here today. We appreciate it very much.

General MCCAFFREY. Thank you, Mr. Chairman.

Senator COVERDELL. I am going to turn to the second panel: Mr. Brian Sheridan, Principal Deputy Assistant Secretary of Defense; Mr. Donnie R. Marshall, Acting Deputy Administrator, Drug Enforcement Administration; Mr. William R. Brownfield, Principal

Deputy Assistant Secretary of State for International Narcotics and Law Enforcement Affairs; Mr. Samuel H. Banks, Deputy Commissioner, U.S. Customs; and Admiral James Loy, Commandant, United States Coast Guard.

I am going to suggest—you all have been waiting a good period of time—that you try to limit the opening statement if we can to about a 5-minute summary, if possible. We will use the warning lights so you at least can see it. I will not be banging on the gavel, but given the number and the hour, that might be useful for all of you, as well as the panel.

So let us begin, then, with Brian Sheridan, again, Principal Deputy Assistant Secretary of Defense for Special Operations and Low-Intensity Conflict. It is good to see you again.

STATEMENT OF BRIAN E. SHERIDAN, PRINCIPAL DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR SPECIAL OPERATIONS AND LOW-INTENSITY CONFLICT

Mr. SHERIDAN. Senator, thank you for inviting me here this morning. It is good to see you again, and Senator DeWine and Senator Biden. I intend to be very brief in my opening comments so that we can get to the questions that you are interested in.

Let me just start off by saying, speaking for the Department of Defense, we view the counterdrug struggle as a long-term one, one in which we are constantly exploring new ideas, looking at state-of-the-art systems, looking at ways in which DOD can use its unique resources and assets to support law enforcement, provide to them tools and techniques that they do not have to support them.

And our second point is of course, for us, we are in a support role. We view the interdiction mission—I think that is particularly what we are going to talk about this morning—as, first and foremost, a law enforcement responsibility. And, again, we are happy to provide whatever support we can. But we also have a number of other missions and activities which we have to keep an eye on.

We have a five-part program in the Department of Defense that corresponds with General McCaffrey's five-goal national strategy. Let me briefly just comment on goals four and five, because I think that is our focus here this morning. In 1998, DOD will spend about $400 million supporting goal four, which is our interdiction and shielding our borders. It is a challenge for us, covering a vast area of the Caribbean and the Eastern Pacific. It is one where we see a very dynamic threat.

The air threat, which predominated in years past, is down. The maritime threat is up. When you get a change in modes and types of transport and conveyance, it often calls for a completely different set of tools to work against it. So we are trying to keep up with what is a very dynamic threat, and we try to use the assets we have, again, to support law enforcement in that area.

Although the threat changes over the years, DOD provides support that results in the seizure or jettison of about 100 metric tons of cocaine a year. And that number fluctuates and it takes part in different places. But the DOD contribution to law enforcement in this area stays around the 100-ton mark.

Senator COVERDELL. What percent is that of the total?

Mr. SHERIDAN. Drug flow?

Senator COVERDELL. Yes.

Mr. SHERIDAN. I would defer to others on that. I think total production is probably 700 tons.

Admiral LOY. A little less than that.

Mr. SHERIDAN. A little less than that.

Admiral LOY. About 430 out of the source country this past year.

Senator COVERDELL. Thank you.

Mr. SHERIDAN. We also have very rigorous programs. We will spend about $250 million this year on goal five, which is breaking our sources of supply. We consider homegrown marijuana a source of supply. So that figure captures our National Guard programs. But the majority of that are our programs in Latin America, where we have very extensive C3I programs, training programs, and a very significant interdiction effort, in Colombia and Peru in particular.

And I think, in those areas, we have seen some very dramatic success, which General McCaffrey alluded to earlier, significantly disrupting the flow of cocaine by air from Peru to Colombia, forcing them onto rivers. And with very good support from the Congress, we have gotten the authority to now stand up some riverine programs in South America, which we are starting up this year.

I would just conclude by saying again, this is a long-term problem. DOD is in it for the long term. We strive to achieve the maximum operational impact we can with the funds available. And we try to bring resources to bear on a very rapidly changing threat that law enforcement does not have available to it.

And I would like to close by saying, in DOD, we have always enjoyed, I think, a very good working relationship with the Hill, and we look forward to working with you in the future.

Thank you.

[The prepared statement of Mr. Sheridan appears in the appendix on page 89.]

Senator COVERDELL. I thank you, Mr. Sheridan.

Mr. Marshall, Acting Deputy Administrator for the Drug Enforcement Administration, welcome.

STATEMENT OF DONNIE R. MARSHALL, ACTING DEPUTY ADMINISTRATOR, DRUG ENFORCEMENT ADMINISTRATION, DEPARTMENT OF JUSTICE

Mr. MARSHALL. Thank you, Chairman Coverdell, members of the subcommittee and the Caucus. Thank you for the opportunity to appear here today. And I want to also thank each of you for your support to DEA and the U.S. drug control efforts.

We are here to talk about, I suppose, mostly interdiction. And I think it is important to understand that interdiction, in its most narrow sense and in its purest sense, is physically stopping drugs moving through the transit zone, across international borders and into the United States. And that responsibility is really more the responsibility of some of the other agencies who are appearing here today. But DEA fits into this role through our primary mission, which is to target the highest levels of today's international drug trafficking organizations. And through targeting the command and control structures of those organizations, DEA makes, I think, a major contribution to the overall interdiction effort.

We also make significant contributions to drug interdiction with our law enforcement efforts not only internationally and at the borders, but within the United States. We must be able to—law enforcement in the United States—must be able to attack the command and control structures of these international syndicates who are directing the flow of drugs into our country. By focusing our attention on the criminals who direct these organizations, we, I believe, find the key to really combatting international drug trafficking.

These groups who direct the drug trafficking into the United States are really powerful, sophisticated, wealthy, and, perhaps most importantly, very violent organizations, and they operate on a global scale. In places like Cali, Colombia and Guadalajara, Mexico, operational decisions are made on a daily basis, operational decisions such as how and when and where to ship cocaine, heroin, other drugs, which cars their workers in the United States should rent, what kinds of cars, which apartments should be leased, even what markings should go on individual packages of cocaine, heroin and other drugs.

So, in other words, things that happen in places like Bogota, Colombia, and Mexico City really have a direct effect on what happens in the United States, in places like Los Angeles, Tyler, Texas, or even Rocky Mount, North Carolina.

Over half of the cocaine entering the United States really continues to come through Mexico, from Colombia, and across the U.S. border at border points of entry. Trafficking organizations from Mexico also produce huge quantities of methamphetamine and import that into this country. They even control, to some degree, production of that drug inside this country.

Drug trafficking in the Caribbean is also a tremendous problem. And it is overwhelmingly influenced by Colombian organized criminal groups who smuggle thousands of tons of cocaine into the United States. We are seeing independent groups of traffickers from the Northern Valley of Delcauca, and splinter groups from the Cali syndicates that are responsible for large volumes of cocaine and, more recently, increasing amounts of heroin coming into the United States through the Caribbean.

These organizations, as powerful as they are, they have to communicate. And the very feature that enables them to control their drug empire in the United States, which is the ability to exercise command and control over this far-flung criminal enterprise, that very feature is the feature that law enforcement can and is using increasingly against these syndicates, turning their strength into a weakness and into a vulnerability that law enforcement can exploit. And that vulnerability is the communication structure of these international crime syndicates, operating worldwide.

And therefore that is a prime target for drug law enforcement efforts in this country. It is also a primary tool for sharing intelligence information with our interdiction partners—Customs, Coast Guard and the Department of Defense. The results of law enforcement investigations actually indicate the connection between the drug trade within the United States and these drug trafficking organizations in Mexico and Colombia.

And Senator Feinstein has already referred in her opening comments to some seizures in New York and Michigan and other places in the United States. So I will not get into Operation Reciprocity and Operation Limelight. But those kinds of investigations actually show that international connection. Those are two clear examples that really proves a relationship between the high-level traffickers in Colombia and Mexico and their organizations in U.S. cities throughout this country.

The domestic component of our strategy should also be understood as a part of DEA's contribution to the overall national strategy to reduce drug smuggling into the country. But, equally as important, we conduct an interdiction program inside the United States. Operation Pipeline is a highway drug interdiction program which is led by our State and local law enforcement partners, and it is supported by DEA's El Paso Intelligence Center.

Now, through EPIC, State and local agencies can share real-time information on arrests and seizures with other law enforcement agencies. They can obtain immediate results to record check requests, and receive detailed analysis of drug seizures to support their investigation.

Now, by identifying and arresting members of the transportation cells of these drug trafficking organizations, along with their U.S. customers, U.S. law enforcement authorities are really better positioned to target the command and control structure, the leadership, of these organizations. These seizures and their followup, is really a vital part of DEA's strategy to attack the organizations. And we also try to see that that is a vital part of our efforts to share intelligence gained during these investigations to increase the effectiveness of interdiction efforts conducted by the other agencies—such as Customs and Coast Guard.

I see that the time is running out, so I just want to close by saying that DEA shares the concerns of Congress. We remain committed to targeting and arresting these most significant members of these organizations. We remain committed to providing everyday, real-time, real-world support to the interdiction effort. And we will continue to work with our law enforcement partners, Federal, State and local, and, by the way, throughout the world, internationally, to support their efforts and to improve our cooperative effort against the international drug smugglers.

Again, thank you for the opportunity, and thank you for your continued support.

[The prepared statement of Mr. Marshall appears in the appendix on page 77.]

Senator COVERDELL. Thank you, Mr. Marshall.

We will now turn to Mr. Brownfield, Principal Deputy Assistant Secretary of State for International Narcotics and Law Enforcement Affairs.

STATEMENT OF WILLIAM R. BROWNFIELD, DEPUTY ASSISTANT SECRETARY OF STATE FOR INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS

Mr. BROWNFIELD. Thank you, Mr. Chairman.

Mr. Chairman, at the risk of being accused of special pleading by my colleagues here at the panel, I note that both you and Senator

Biden mentioned earlier on and asked about the INL fiscal year 1999 appropriation. You are both correct. Your numbers are correct. The Senate, before its recess, voted us out a figure of $222 million, which is $53 million less than our request level and $8 million less than we have for fiscal year 1998.

Mr. Chairman, I have a formal written statement, and if you will allow me, I will submit it for the record and offer a very brief oral statement.

The draft bill before us, Mr. Chairman, clearly focuses on interdiction activities. INL's role in our national drug control strategy is focused more on source countries in the Western Hemisphere, but interdiction is an essential element of drug control, and we play a very serious role in interdiction. We directly support interdiction efforts in source countries along the Andean Ridge. We train and support foreign law enforcement forces engaged in interdiction. We provide assistance and equipment to countries in the transit zone for interdiction purposes.

INL, and the State Department at large, welcome, Mr. Chairman, the objectives and the intent behind the Western Hemisphere Drug Elimination Act. The attention that this bill and this hearing provide will help all of us here at this table to do our job and to do it better. We in INL are especially grateful for the efforts of the drafters to include some resources of serious importance to us.

But like the other members of this panel, Mr. Chairman, and like General McCaffrey before us, the State Department has some problems with this bill that will make it seriously unworkable for us. If I could outline just a couple.

The bill identifies resources, but does not, as General McCaffrey said, tie them into an overall, coherent national strategy. In Mexico, it calls upon us to provide aircraft that, in our judgment, are beyond the capabilities of the government at present to maintain and operate. As General McCaffrey mentioned, it calls for mobile x-ray machines in Bolivia, but does not tie them into a larger national strategy. And because the bill would lock in specific resources for specific countries, it would not allow the flexibility of moving or reprogramming assets without amending the law.

The bill provides authorities but not appropriations to support them. And an authorization bill of this size is almost certainly going to create expectations abroad—expectations that we would be unlikely to be able to meet.

The bill offers some serious and very welcome support for alternative development in the source countries. We wish it would also give us, or USAID, the flexibility to condition and leverage this assistance to performance or support or co-funding from foreign governments.

And finally, Mr. Chairman, we do, it will not surprise you, have some concerns about the bill's attempt to limit the background of future Assistant Secretaries of INL. We agree, law enforcement and intelligence experience are essential to the INL portfolio. But so is knowledge of foreign assistance, foreign governments, embassy country teams and operations overseas, the U.S. Congress, and national security. We believe very strongly that the Secretary of State should select, the President should nominate, and the U.S.

Senate should approve future candidates for Assistant Secretary of State based on all criteria, and not just two.

Mr. Chairman, the proposed Western Hemisphere Drug Elimination Act, as currently drafted, includes some very good ideas. It would serve as an excellent basis for some serious discussion between the executive and legislative branches. We would hope that our own fiscal year 1999 funding and appropriation request might serve as the vehicle to refine some of those good ideas. We are ready to join that dialog both here and on the other side of the Capitol.

Thank you very much, Mr. Chairman.

[The prepared statement of Mr. Brownfield appears in the appendix on page 62.]

Senator COVERDELL. Thank you, Mr. Brownfield.

We would now turn to Mr. Samuel H. Banks, Deputy Commissioner, United States Customs Service. Mr. Banks.

STATEMENT OF SAMUEL H. BANKS, DEPUTY COMMISSIONER, UNITED STATES CUSTOMS SERVICE

Mr. BANKS. Mr. Chairman, members of the committee and the Caucus, it is a pleasure to appear before you today. And I would like to thank you for your continued support and interest in the Customs Service in trying to counter this global problem of drug smuggling.

The Customs' mission is really two things related to narcotics enforcement. First, it is to disrupt the flow of illicit drugs, through seizure and arrests; and, second, to try to dismantle the drug organizations through investigative efforts.

The U.S. Customs' foremost priority continues to be narcotics enforcement and narcotics interdiction. Specifically, I would like to talk a little on the air program. Our aviation program consists of 114 operational aircraft today. Our marine program has 84 vessels. Their purpose, again, is primarily focused to disrupt and dismantle organizations. The aircraft operate in both the source zone, the transit zone and in the arrival zone of the United States.

Our aircraft actually provide close to 80 percent of all the detection and monitoring that occurs in the source zone. So we are a very big factor in this whole effort for both trying to stop drugs coming from the source countries and transiting through the transit zone.

Our air program, like others, use a three-pronged approach, which is driven by intelligence, interdiction and investigative efforts. Our air interdiction resources throughout the hemisphere detect, sort, intercept, track, and ultimately we are after apprehending the traffickers and seizing their contraband.

In 1998, to date, our aviation program has been instrumental in the seizure of over 42,000 pounds of cocaine, 100,000 pounds of marijuana, and almost 50 pounds of heroin. Probably the most effective aviation tool that we think we have is something that we call the double-eagle. It is a P–3 with a radar dome, coupled with a P–3 without the radar dome.

This double-eagle, we think, provides the best tool that you can have for this detection and monitoring approach. This tool, this double-eagle approach, has been endorsed by the U.S. interdiction

coordinator and by SOUTHCOM. General Wilhelm has on several occasions testified before committees, advocating this as a principal tool to have an effective approach. He has also supported our dome expansion program, which is a key element in SOUTHCOM's efforts.

We believe that this tool also provides what we think is the most cost-effective means for detection and monitoring in these areas. The aviation program is critical, because, in the past, the drug smugglers, their preferred course of smuggling is through general aviation aircraft. It is the way they can control it the best. To not have these programs just opens that corridor again wide open.

I would like to say that we absolutely support the Drug Czar's strategy, especially strategies four and five. And we have got performance measures that we tie to our aviation, as well, to support that.

One thing additionally I would like to comment on is the technology along the Southwest Border. That has been an issue that was discussed previously. We do currently have a 5-year technology plan for the entire Southern Tier, including the Southwest Border, which I would be very happy to supply the committee. That plan has been coordinated both with Department of Defense, because they have provided a lot of the basic technological support to make it happen, and it has also been coordinated through the Drug Czar's office.

We currently have four—perhaps five—today large x-ray systems along our Southwest Border. DOD is also testing two prototype mobile x-rays, and a gamma ray device that actually looks through double-walled tankers, which constantly have been a problem, in addition to a series of high-tech items in the South Florida. In our 1999 budget, $54 million has been provided for expanding this technology.

So, with that, Mr. Chairman, I would like to conclude my statement. Thank you.

[The prepared statement of Mr. Banks appears in the appendix on page 61.]

Senator COVERDELL. Thank you, Mr. Banks. Admiral Loy, you are the cleanup batter here.

STATEMENT OF JAMES M. LOY, ADMIRAL, COMMANDANT, U.S. COAST GUARD

Admiral LOY. Good morning, Mr. Chairman. I thank all of you for your attention to this very, very important issue for our Nation. And I thank you for the personal opportunity to testify today on the specific Act in question, and also on our general interdiction efforts from the Coast Guard's perspective.

I, too, will submit my prepared statement for the record and just summarize some remarks.

Mr. Chairman, I have been in this business now for 25 years or so. Sam Banks and I, among others, go back in terms of policy generation and actually riding ships at sea in the midst of attempting to deal with this problem for a long, long time. In my mind, it truly is, as many of you have mentioned this morning, the most pernicious threat that our national security has in front of it right now.

I would offer that if there was anything else that was killing 14,000 Americans on an annual basis and literally ruining the lives of hundreds of thousands of others, we perhaps would be finding a heightened priority to that all around our Nation, with no finger pointing necessary to whether it is an administration issue or a congressional issue.

I applaud the Act's goal of strengthening our Nation's counternarcotics effort. It is clear to me that the Congress' sense here is that there is an imbalance among the three primary prongs, the three legs of the stool, if you will. And clearly it is the intent of the Congress at this point to be strengthening the interdiction leg, which, as many of you have already mentioned, and Senator DeWine perhaps most discreetly, you feel it is under-strengthed.

I think it is a good instinct. And, again, I would applaud, as General McCaffrey has already, the opportunity that it represents to allow us in the administration, who forge the kinds of things that compose the guts of his national drug control strategy to do it well.

The Coast Guard's counterdrug effort is outlined in a campaign, a theme campaign, that we refer to as Steel Web. Against the background, the very structured background, of the President's National Drug Control Strategy, Steel Web attempts to match the 10-year nature of the length of that program and the rolling 5-year budget, if you will—current year plus 4—to accomplish the strategy and do so with accountability that is now associated with the performance measures of effectiveness that are beginning to come into focus, as General McCaffrey testified.

That itemized accountability, in my mind, is something that we have been missing for a long, long time, as we tried this and tried that over the course of 25 years of effort. Steel Web dictates an active and a very strong presence in the arrival zone and the transit zone, to intercept, seize and deter traffickers. The "deter" verb here, I believe, is something that is very important.

We have focused on a study that Rockwell has done in the recent past, to be revalidated by General McCaffrey's work over the next 12 to 18 months, which offers that if in fact we can encounter the smuggler about 40 percent of the time, we would deter his behavior along that path about 80 percent of the time. It also puts a finite upper limit on the resource investment that would be necessary, wherein we could learn that to throw additional assets, once you have reached that plateau, would be rather foolhardy, without much gain and in fact potentially a waste of the taxpayers' money.

One of the things that Steel Web also attempts to work with very carefully is the international engagement effort. We have, as you know, sir, negotiated about 19 bilateral agreements with nations in and around the Caribbean, which become leveraging agents, to allow us to work inside their territorial seas and air space, on many occasions, and seek the jurisdictional value that is brought to the table by ship-riders from those nations that find their way onto Coast Guard platforms.

My operational commanders design and execute operations like Frontier Shield, which was enormously successful in fiscal year 1997; Frontier Lance, operated that with DEA; Border Shield; Gulf Shield; Operation Nancy in the arrival zone; Carib Venture; and Trident 1 and 2 in the Pacific to operationalize our effort. All of

those operations are interagency and often international in character.

Steel Web, sir, is designed to meet the Coast Guard's obligations under the National Drug Control Strategy and to reduce the drug availability by 25 percent in 2002, and 50 percent in 2007. I see my light is red. Let me just note that I have picked up very carefully this morning on a couple of things.

First of all, I think all of us in this room are in a bit of violent agreement. There may be a bit of different dimensions from which we are approaching the issue, but we all have the common well-being of the American taxpayer and the citizens, and especially the young people of America in our cross hairs. I think we need a consistent, long-term plan. That was an evident piece of the testimony that came out in General McCaffrey's exchange with the panel.

And I think, wherein it is appropriate to accelerate any elements of that plan, it should be accomplished. The most obvious place to look for that is inside the 5-year drug budget that is in fact part of the 10-year plan that the Drug Czar owns.

Interdiction is an absolutely legitimate cornerstone of the total drug effort. Frontier Shield proved that. Frontier Lance proved it again. History shows that when an appropriate investment is held there, it can be an enormously productive enterprise.

Last, sir, as I close my remarks, the first and foremost point of issue for me in front of this panel this morning would be to gain the funding that is represented in the President's budget as it came to the Congress. I have heard several other people mention that this morning.

We stand at the moment, as a prior-to-conference effort, to be funded at a level that not only would not allow the so-called drug plus-up that is identified in the House mark to not be effective, because of the overall cut in that Coast Guard budget that is in the House's bill at the moment—that is a serious issue. And because of the multi-mission nature of our organization, if we are provided the funding level there, we will be able to focus on counternarcotics as the Senate and the House have asked us to do.

We have done it in 1997. We have done it again in 1998. And my intention would be to do it again in 1999, if adequately funded.

Thank you, sir.

[The prepared statement of Admiral Loy appears in the appendix on page 75.]

Senator COVERDELL. Thank you, Admiral.

I think we will begin with questions to any member of the panel. I am going to begin with—well, first, a matter of logistics, the meeting has, for important reasons, been somewhat longer than anticipated, I am going to turn to the cosponsor of the legislation. We are discussing to assume a battlefield commission here and command of the meeting, as I am scheduled to another session at 12 o'clock. There will be, as I understand it, a vote at 12:30, and I would advise both my colleagues of that.

And we will have 5 minutes at least for this round, and then I will turn that decision over to Senator DeWine.

Mr. Banks, you talked about the 5-year technology plan. Do the assertions coming from the panel here today, emphasizing acceleration, offend that plan, or can that plan accommodate an accelerated

pace of moving technology to, say, the 39 points of entry on the Southwest Border? Is this something that can be assimilated by Customs?

Mr. BANKS. Yes, sir.

Senator COVERDELL. It could?

Mr. BANKS. We could assimilate it. However, I would like to caution, on being able to accelerate the plan, it also depends on the vendors that have to build and provide that equipment. So before I would give you an absolute commitment as to how fast it could be accelerated, I would have to go out and talk to those people, and I would have to work with the Department of Defense, because they are key components in our technology development.

Senator COVERDELL. Well, I think that is what the panel—the range of questions—we are looking for how can we be bolder.

Mr. BANKS. Yes, sir.

Senator COVERDELL. And without offending the logic and orderly development of what is already underway. And I would ask the same question, quickly then, to you, Admiral Loy. Because I keep sensing that if we emboldened your resources, that you have the systems and the knowledge from these past exercises, that you could address the Senator from Ohio's worry about the Eastern Pacific and other locations. Is that a fair assumption or not?

Admiral LOY. I think it is a fair assumption, yes, sir. I think there are some orders first. First, we ought to be as productive as we can possibly be with the assets that we have. And that has to do with sensor packages and communications capabilities and being cognizant of unity of command principles that might work.

For example, in the bill, the discussion associated with merging the JIATF process, I think that is very sound when you think about JIATF East and JIATF South, because it offers us a singularity of purpose to the cocaine industry in the Western Hemisphere. I do not think it is as appropriate, for example, with JIATF West, which principally has an East-West orientation to the heroin threat coming from the Far East. And I do not think it has as much sense to do it with JTF 6, as General McCaffrey mentioned earlier, because they are, first and foremost, in the business of supporting the Southwest Border operation.

So given the three dimensions—an East-West orientation to the heroin trade from the Far East, the Southwest Border operation, because of its obvious last border to be crossed, if you will, and the transit zone to the east—there is value to the unity of purpose thought process that is reflected in the bill.

Senator DEWINE. Mr. Chairman, if I could just insert that that portion that the Admiral is objecting to is no longer in the bill.

Admiral LOY. Yes, sir, all right.

Senator COVERDELL. Very good.

Senator DEWINE. We appreciate your comment on it and your input. Thank you.

Senator COVERDELL. Mr. Marshall, you talked about the importance of communications. Would you want to elaborate on—is that capability of law enforcement at risk because of encryption issues and technology that your adversaries have?

Mr. MARSHALL. Yes, Senator, I would have to say that that is at risk. In the law enforcement community, we are quite concerned

about the increasing move of the highest-level command and control figures to encrypted communications. We have encountered in our law enforcement operations the major traffickers, and primarily the traffickers based in Mexico at the highest levels—we have encountered them using encryption that law enforcement currently cannot break.

And I think that it is very key for us to preserve and even hopefully enhance the ability, with all of the new technology that is out there, I think that we need to preserve that ability for law enforcement to legally get warrants and then have the technology to intercept the command and control communications of these organizations.

It is only through doing that, I believe—since they have become so tightly controlled by elements that are overseas, beyond our reach in many cases, they used trusted lieutenants and, in many cases, family members in the United States—it is becoming increasingly difficult to infiltrate the organizations with human sources. And so the ability to intercept those communications is absolutely essential. And we would suffer a major setback if we lose that because of the encryption issues.

Senator COVERDELL. I suspect that is going to be something of the future—perhaps the next Congress.

Senator Biden, we have got a 5-minute round going here. And I just made a battlefield appointment of Senator DeWine to sort of take charge—it is his piece of legislation, as it is—and proceed with the balance of the panel. But it is your round.

Senator BIDEN. Thank you very much, Mr. Chairman.

Mr. Marshall, if you do not know the answer to this question, maybe you could submit it for the record. What percentage of our consumption problem in America is related to homegrown substances, whether it is marijuana or synthetic drugs like methamphetamines, do we know?

Mr. MARSHALL. To give you an exact percentage, Senator, would be difficult for me at this time. I will check and see if I can get you some estimates on that. But I will say that the homegrown cultivation of marijuana is a major problem. And we are also seeing a growth in the manufacture of methamphetamine in this country. LSD has always been with us to a certain degree. It is not very high on the radar scope, but it is there, and it is homegrown, a significant problem, and one that we are trying to get a handle on. Particularly in the case of methamphetamine, we have those initiatives.

But as far as actual numbers, I will get back to you and try to provide you those.

Senator BIDEN. I would appreciate that.

[The information referred to was not available at press time.]

Senator BIDEN. I think the most important thing to equip people with who are not on this committee are the facts. Drug and crime issues are the one area where no one thinks there is any need for any expertise. They are entitled to an opinion. They are entitled, as Senator Simpson used to say—he used to say that everyone is entitled to their own opinion; not everyone is entitled to their own facts. And I think people are entitled to facts. I think it is important to know what the breakdown here is.

The second question I have is for you, Mr. Banks. You have five truck x-ray systems, two mobile truck x-ray system prototypes. You have indicated you have got a 5-year plan out there. You would have to determine whether or not my suggestion of giving you the 100 million bucks now or thereabouts would be able to be used efficaciously. But without getting into that part of the issue, what is the plan? Next year, how many trucks do you plan on having—next year? I mean you say you have a 5-year plan, what is next year's plan?

Mr. BANKS. Currently what we have in place is what we are going to go with—we have actually got a system called the automated targeting system, which is actually an information technology thing that Senator Feinstein mentioned—we are going to go up in 12 additional locations with that. We are going to go with two large seaport x-ray systems.

We are going to go up with a series—I believe it is in the vicinity of 15 or 16; it depends on how we can work with the contractor on this—with a whole variety of technology, not so much fixed x-ray, we are going to mobile truck x-ray, because of the flexibilities that provides to us, and the gamma ray devices—something called VACIS, that allows us to see through these tanker walls.

The number one focus on this whole effort is to put it on the Southwest Border first, to go to those 39 crossings.

Senator BIDEN. Well, it would be helpful for us if you had—if we had this detailed plan—and we may already have it—I do not—the staff may have it—of what the 5-year plan is. And when I used to chair the Judiciary Committee, I used to always ask the FBI these questions and the DEA. And they used to tell me, in previous administrations, it is not money. And I would say, OK, it is not money. Now you are finished with that. It is not money. If I were going to force you to take money, where would you spend it?

I want to force you to take money. You should have a plan for us. That is a formal request by me to submit a plan to this committee as to how quickly you could reasonably spend $100 million to deal with your 5-year plan. I assume your 5-year plan is roughly the $100 million that is needed for technologies. I may be wrong.

Mr. BANKS. It is more than that, sir.

Senator BIDEN. It is more. Well, whatever the number is, if we gave you the money now, how quickly could you speed it up?

[The information referred to was not available at press time.]

Senator BIDEN. Mr. Brownfield, you know I love the State Department. You know I think you guys hardly do enough on drugs. You know you do not go to the schools of foreign policy and these fancy universities the State Department guys go to, to learn about drugs. I know all that. And you know I am going to continue to be a pain in your neck for a long time, because you should be doing more—and not you personally.

But what I want to ask you about is that, on this side of the Capitol and in the other body, there has been a lot of people pushing the State Department to provide Blackhawk helicopters to the Colombians. And I would ask Mr. Sheridan to chime in here if he would.

I am kind of mystified by this obsession of providing the Blackhawk helicopters, since the Colombian Army already has

Blackhawk helicopters, and they will not engage them for counternarcotics purposes. Could you elaborate on—I am told you are looking for working on some alternative options for the Colombians, options to Blackhawks—can you elaborate on what you are doing and what your rationale for doing it is? And my time is up.

Mr. BROWNFIELD. Sure thing, Senator. And I will be very brief. Let me make four quick points.

The first and most important is that I graduated from the University of Texas. [Laughter.]

Senator BIDEN. Another one of those prestigious schools.

Mr. BROWNFIELD. It is. I will leave it at that. I am sure I would otherwise be unjustly accused of what Texans are frequently unjustly accused of.

Senator BIDEN. Only by people who go to A&M. [Laughter.]

Mr. BROWNFIELD. I have very strong views on that, Senator.

Senator BIDEN. I knew you would.

Mr. BROWNFIELD. I invite you not to solicit them. [Laughter.]

Mr. BROWNFIELD. First, our concern with Blackhawk helicopters is not the helicopter itself. It is a very good aircraft. In fact, it probably is, for the mission that everyone in this room has been discussing for the last several years, probably the best aircraft out there.

Our problem has been one of the simple realities of how much they cost to purchase, how much they cost to maintain and service, and whether the recipient or the receiving national police force and law enforcement agency has the capability to continue to maintain them and fly them on their own. Our judgment up to this point, based on all of these factors, has been that we do not yet have a good match with the Blackhawk helicopter.

The third point—counting the University of Texas—you have put your finger on what has been a frustrating situation in Colombia. And that is we thought, after a lot of prodding, pushing, cajoling, and discussing, there was an agreement, an understanding, reached between the Colombian National Police and the Colombian Armed Forces, who do in fact have Blackhawk helicopters in their inventory, that would permit the National Police to use them for law enforcement operations. For whatever reason, it has not yet worked out.

Now, if you ask the Colombian National Police why, they will give you one reason. If you ask the Colombian Armed Forces why, they will give you another reason. But it is indisputable that, at least so far, the two sides have not reached an accord that works in terms of using Blackhawk helicopters.

Our alternative, up to this point, has been if we cannot afford to service, maintain and ensure that, in this case, the Colombian National Police can operate Blackhawk helicopters, we should give them something that they have experience with, that costs less, that we can absorb within our budget and that we can maintain for them if possible. And our solution up to this point has been to find them other twin-engine helicopters that would have the capability to fly at the higher altitudes, where we want them to fly in the Andes, and that would give them the greater safety and security that two engines gives them, and would not, to put it bluntly, bust our budget.

And up to this point, that solution has been Bell 212 helicopters that are running about 10 percent of what we would otherwise have to pay on a per-unit basis for a Blackhawk.

Senator BIDEN. Thank you very much for a very concise and precise Texas answer.

Mr. Chairman, my time is up.

Senator DEWINE. Senator Feinstein.

Senator FEINSTEIN. Thanks very much, Senator.

Let me get my helicopter question answered. And, Mr. Sheridan, I attended a joint hearing in the House on this subject in March. And the GAO, at that time, pointed out that 73 Hueys have been sent to Mexico, but they could not fly above 5,000 feet, they were not therefore worth their salt for opium eradication because most of the opium poppy is grown above 5,000 feet.

I wrote to Secretary Cohen on March 19th. He responded on April the 16th with a very full explanation, saying that the Hueys were not really sent there for crop eradication, they were sent there for troop transport.

Now, it is my understanding that earlier this year the Army issued a safety of flight message that grounded all U.S. Hueys, and Mexico responded by grounding their Hueys. Has the Army taken any corrective action on our Hueys? Have we helped the Mexicans? And are in fact these helicopters flying? And are they able to do crop eradication?

Mr. SHERIDAN. The Army has a short-term fix and an immediate fix. All of the aircraft have to undergo a vibration test. Those that pass the vibration test are free immediately to resume flying. For those that fail the vibration test, the short-term fix is a new spur gear. The longer-term fix apparently is a newly designed gearbox.

The production of the spur gears will take some months. And they will be entering into the U.S. inventory and in other inventories as they come off production lines relatively soon, but certainly not today or tomorrow.

We tested all the Mexican helicopters. Forty of theirs passed, 33 did not pass. So, from a technical safety of flight perspective regarding the spur gear, 40 of theirs are cleared to fly. Now whether they can fly or not for other reasons is a different issue.

As to their utility for opium eradication, again, it goes back to the original purpose of the transfer of the helos. They were not intended for that purpose. I think, as Bill indicated earlier, everybody would love Blackhawks. Blackhawks probably can do that. UH–1's cannot. They have been around for a long time. Everybody knows that. No one should be surprised that Hueys do not perform well at those altitudes. We never told them they could. They had no expectation that they could.

Senator FEINSTEIN. So, for all-around use by these countries in terms of whether it is transport or eradication, the Blackhawk is a superior vehicle; would that be fair to conclude?

Mr. SHERIDAN. Yes, the Blackhawk is a far superior vehicle, I think everyone would agree. But they are also much more expensive. They are much more difficult to maintain. It is the difference between an old Jeep and a brand-new, top-of-the-line SUV someplace. For most purposes, the Jeep will still get them there. There

is no question that the other one is better, but it is very expensive. And the cost per flight hour is a multiple of what the UH–1 is.

So I think for many of these folks that we deal with, the UH–1 is not a perfect solution, but it continues to be pretty good.

Senator FEINSTEIN. OK. I thank you very much for that.

Mr. Marshall, I am a big fan of the DEA, so I want to thank you for being here and for DEA's continued efforts. I think you do a super job.

Mr. Banks, if I may. As you know, I believe very strongly Customs has an unfortunate mixed mission. On the one hand, it is a trade facilitation agency; on the other hand, it is a law enforcement agency. And I have felt for many years now that the law enforcement has been subjugated and the trade expediting has been increased.

I asked for those GAO reports. I wrote to Treasury. I have waited with bated breath. I have had no response. And I am concerned about that.

Let me ask you a couple of questions. And let me begin with the TECS system, used by more than 20 Federal agencies. GAO says you do not have adequate controls over the deletion of records from the system. If the TECS information is unreliable and could be tampered with, if you do not have adequate controls, does that mean that cargo shipments are being expedited when in fact they should be stopped and searched?

Mr. BANKS. That is possible. Usually the TECS records will primarily focus on things like the carrier and a driver, more name-type checks. Usually our lookout systems for commercial is in our automated commercial system.

Senator FEINSTEIN. So we have got a big flaw. What are you going to do about it?

Mr. BANKS. Well, actually, what we have instituted—and this is one of the things Commissioner Kelley asked me this morning—to make sure that I conveyed his request that at your convenience we would like to come up and talk about both the GAO report on TECS and on line release as soon as possible.

Senator FEINSTEIN. Any time. Any time. I would be happy to do it. All right.

Mr. BANKS. The first thing that we are doing on the TECS system is we have revised the procedures, and in fact we are even building in internal controls in the computer system to ensure that this happens—is if there will be a deletion made, not only does the officer who wants to delete the record have to be involved, that officer's supervisor has to be involved. In addition to that, the person that put in the record has to be involved with—by this computer notification, the originating officer is notified.

In addition to that, the originating officer's supervisor is notified, just in case that officer is not there or is unavailable at the time. In addition to that, when the deletion is made, there is a comment field that has been built in to put in the comments as to exactly why that deletion occurred.

Senator, there are 11 million look-out records in the TECS system, total. And it is a constant process of changes and deletions for very legitimate reasons. You are absolutely right, and GAO's finding was absolutely correct, we needed to build in better internal

controls to ensure that those were done appropriately and with the appropriate levels of reviews.

Senator FEINSTEIN. Well, I really appreciate that, because this, as you know, has been a controversial area, because of the possibilities of corruption within the system and somebody deleting something that you do not want deleted, and you have no way of knowing. It is just gone and the truck comes across the border. So I am happy to hear that.

Now, let us go to another system, the automated targeting system and the pre-file program. It is my understanding that they have to be used together, and it is not working. Could you comment on that?

Mr. BANKS. There is no question—first of all, I would like to say that you were correct on the GAO—when they went out and looked at the three-tier targeting system, the ports were not happy with it. And primarily the ports were not happy with it because even we in the national office were not happy with the outcome of that. One, there was a tremendous amount of analysis that had to go in to support the system. And quite frankly, we just did not have the intelligence to put in that system to drive it.

The automated targeting system, what it does is actually rely upon sources of information from different data bases about the carrier, about the merchandise itself, about the parties involved in those transactions and their relationships. And what it does is really a rules-based system. Some people used to call it expert systems, artificial intelligence, but it is really a rules-based system, to try to identify those shipments that might be of the highest risk.

You are absolutely correct, the sooner we get the information into that system—what you want is you want information from every possible source in order to give maximum opportunity to this advanced targeting system. The pre-file cargo information would be exactly one of those things that we would like to have in the system. And that is one of the reasons that we try to provide certain advantages to people that provide the pre-file information, so that we can run it through a systematic approach for risk management.

Senator FEINSTEIN. Thank you for being straight with me. I really appreciate that.

Mr. Chairman, I have a letter, dated September 3rd, from Union Pacific Railroad. And Union Pacific is currently the largest rail carrier of goods in and out of Mexico—all types of commodities. And they have gateways at Brownsville, Laredo, Eagle Pass, El Paso, Nogales, and Calexico. They indicate that they are currently committing $3 million for new fencing, new lighting, new equipment, inspection facilities, police K–9 activities, *et cetera*.

I would like to make this letter available to the committee. I would like to commend them for taking this action as a private company.

And I would like to very quickly ask Mr. Banks, do you feel that we have adequate—I do not know the word to use, whether it is surveillance or scanning or security—for these rail facilities, and particularly now that we are going to have these big, stacked rail, double-stacked rail cars pumping across the border, to ensure that contraband is not aboard or put into the facility, the rail structure of the car?

Mr. BANKS. No, not close.

Senator FEINSTEIN. Not close?

Mr. BANKS. Not close. And I agree with you, what Union Pacific has done—and they have even joined us on a carrier initiative—they are doing tremendous work. It is not enough.

As good as they are being at this point, it is not close to the investment that they need to make in order to operate across that border. There is inadequate lighting at their crossings. We do not have the examination facilities. Part of this $54 million that we have in our 1999 appropriation will go toward the gamma ray devices that we need in order to be able to do the technology capabilities; because rail cars have a higher density steel wall. We have seized multiple rail cars, including from Union Pacific, as a result of finding violations of both empty compartments and actual narcotics.

Now, Union Pacific has been very helpful in terms of going through the whole investigative process. We actually work somewhat in partnership with them. But it is not close. We have a long ways to go with the rail industry.

Senator FEINSTEIN. Well, I thank you for that. And I think I will write back to them and say, you have got to do more, and perhaps we can talk about that.

Mr. BANKS. I keep telling them I want to own one of their locomotives. And that will definitely get their attention. [Laughter.]

Senator FEINSTEIN. All right. You indicated that you are going to expand the automatic target system?

Mr. BANKS. Yes, ma'am, we are.

Senator FEINSTEIN. Can you verify at present the information that you get from Mexican companies in the pre-file system?

Mr. BANKS. We cannot necessarily verify it except through actual—we run it through certain edits. We validate it against previous information that we have gotten, so you have got certain norms. But then we can actually do examinations to compare if the information they are giving us is actually accurate according to what we are seeing. So we can validate it in that sense.

One of the things that—I understand, it is not absolutely perfect—we currently have——

Senator FEINSTEIN. Then why would we expand it, if we cannot accurately verify?

Mr. BANKS. I am saying that we can verify certain critical information. One of the things that we get is that pre-file information. That is one of the components of information. There are some things in there we absolutely can verify. Can I verify? Can I do 100 percent examinations on their cargo that comes in to verify it? No, I cannot do 100 percent. What I can do is a statistically based analysis, number one. Two, I can do it based on risk analysis. And, three, at the judgment of our officers—and every time we check those, we will validate the information that they provide to us—completely validate that information.

What I am trying to be is absolutely accurate with you. I do not want to convey to you that we are going to do 100 percent validation every time. But yes, we are going to validate it, including to a statistically valid level. Yes.

Senator FEINSTEIN. Mr. Chairman, I just want to thank you, and if I may just make one comment.

I think this has shown that we really have a significant lacking still in our sort of border infrastructure, in terms of really being able, A, to verify, to know accurately what we are doing, to have the kind of intelligence that is necessary, to have the kind of scanning that is necessary.

I, for one, think it would be a terrible mistake if we wait for 5 years. General McCaffrey said they are about to present a 5-year program. My own view is we ought to just make the appropriation, do what is necessary so at least we can say that our border infrastructure is adequate.

And I thank you very much.

Senator DEWINE. I appreciate your comments. Those are very good comments.

Admiral LOY. If I may, Mr. Chairman.

Senator DEWINE. Certainly.

Admiral LOY. I would like to offer that General McCaffrey's 5-year budgeted plan does not wait for 5 years to occur. It is a planned sequence of activity through the course of five budget years. And the acceleration potential within that is really where you have been going all morning, sir.

Mr. BANKS. And I would like to add that General McCaffrey personally increased the technology budget in 1999 by $25 million over and above what had been approved through Treasury. So he is firmly committed to this technological approach on the border.

Senator DEWINE. Admiral Loy, I have seen firsthand the work that the Coast Guard can do. And I have been on some of your cutters and seen some of the work and talked to some of your folks. And they just do a fantastic job. As I think you can guess from listening through this hearing, I am concerned that you and some of the other agencies simply do not have the resources that are needed to do everything that you could do—to do the things that, frankly, have to be done.

I am particularly concerned, as I have already mentioned, on the other map that we had up there, in regard to the Eastern Pacific, that we have virtually nothing out there—nothing out there. I am concerned with the fact that good programs such as Operation Frontier Shield, Operation Frontier Lance are gone. I wonder if you could take a moment and describe for us exactly what you think was accomplished by Operation Frontier Shield, how that worked, and Operation Frontier Lance, as well.

Admiral LOY. Sir, as a matter of fact, I think we have a results poster for Frontier Shield.

Frontier Shield in 1997 was a proof of concept operation that began on 1 October, 1996 and was a tremendously successful interdiction operation.

Mr. Chairman, the realities of my experience over a lot of time with this is that there are two ways that we have been able to be successful in the interdiction business. When you are covering the multiple million square miles of effort that we are trying to undertake in the transit zone there have been two things that have been proven to be valuable.

One is if we can take an AOR, an area away from the bad guys. Operation Bahamas Turks and Caicos is probably the best example of that. In other words, over the course of greater than a decade, with an adequate resource dedication, we were literally able to shut down the Bahamian Archipelago as turf for the bad guys.

The second has been the unexpected pulse and surge kind of operation such as Frontier Shield and Frontier Lance. These are partial results over the course of just several of the month's worth of effort, but the effort is mostly, I think, depicted in the number of sightings which translates to a target of interest spectrum which then results in boardings. In other words, we actually encountered about 43,000 targets out there. We determined that 4,000 or so of them were interesting enough for us to pursue. We actually boarded over 2,000 with the resultant seizures that you see described on that poster.

The reality there goes to what had been the slide that was up there before, which is to say, the drug-smuggler will find the path of least resistance, and we fully expected that he would shift his efforts to the west, and that is in fact why we then stood up Frontier Lance as a proof of concept operation in fiscal 1998.

A $34 million plus-up in the drug business for the Coast Guard in 1998 allowed us to sustain Frontier Shield at a lesser level than the pulse originally provided, and we took Frontier Lance, if you will, out of hide to again prove the concept had merit further to the west, did so prove that, which is to say interdiction clearly does work. That, again, was a proof of concept operation for only a quarter, given that we had other responsibilities.

Senator DEWINE. You said for only a quarter.

Admiral LOY. 3 months, sir, a 3-month proof of concept operation further to the west.

Senator DEWINE. What did that prove to you?

Admiral LOY. First of all it proves to me that interdiction works. The thought process of inside a strategy addressing on a systematic basis a series of operational activities at the field commander level can, in fact, make a positive contribution to the overall drug effort that we are undertaking.

I have just returned, sir, because of my new responsibilities as the U.S. Interdiction Coordinator, from a spin through the Caribbean and all the nodes of command and control there. It is important for this committee to know that in my estimation the most significant problem we have at the moment is a lack of surface end game capability in the transit zone and the arrival zone. We are getting brutalized at the moment by go- fast vessels in the transit zone and in the arrival zone.

Senator FEINSTEIN. Could he say what he means by that, the absence of end game surface——

Senator DEWINE. What does that mean, Admiral?

Admiral LOY. We are able to watch the lift-off, if you will, of a general aviation aircraft out of Barranquilla, out of Colombia, track it across the Caribbean, perhaps even watch it transfer across the international air corridor in the Cuban Island, perhaps drop its load north of the Island of Cuba to a waiting go-fast boat, and then at speeds of 55 knots or so deliver that product either back into the Bahamian Archipelago or perhaps go to the U.S.

Senator DEWINE. What is the remedy for that?

Admiral LOY. The remedy in my mind, sir, is a combination of doctrinal change and I have directed my own staff to begin the process of thinking about changing the use of force doctrine from aircraft such that we, not totally dissimilar to the Colombians and even the Panamanians, have the opportunity to use a non-lethal disabling warning shot package of activity to bring that go-fast to a stop.

And at the other end of the day the ultimate answer is having a surface asset there to actually intercept and seize.

Senator DEWINE. Surface asset meaning what?

Admiral LOY. A boat, a patrol boat.

Senator DEWINE. Right there.

Senator FEINSTEIN. To intercept and search?

Admiral LOY. And arrest and seize.

Senator DEWINE. How long do you anticipate, Admiral, this, as you describe it, this doctrinal change that you are talking about—it has at least been talked about, maybe not formally, but it has been talked about for some time. I wonder, what is your timing on that?

Admiral LOY. My direction and my staff was to have that—I am concerned, of course, with force protection implications. I am concerned with doctrine and tactics being properly put together. I have asked my staff to have that back on my desk within 6 months.

Senator DEWINE. Six months from now?

Admiral LOY. Six months from a month ago.

Senator DEWINE. We await that. We encourage that and look forward to that.

Mr. Banks, you are shaking your head yes. Whenever I get someone shaking their head yes, I like to see what they have to say. I thought it was a yes.

Mr. BANKS. It was a yes, absolutely, Senator. We work hand in glove with the Coast Guard on this end game effort, especially in the arrival zone around the South Florida area, and Puerto Rico, and we also have boats. We have got 84 boats out there doing the same sort of thing in the apprehension, and we are linked together even on the aviation side and our marine side, and our boats have gone from—we had 200 vessels in 1990. We are down to 84 vessels today.

Senator DEWINE. Repeat those figures again.

Mr. BANKS. In 1990 we had 200 vessels. Today we have 84, and by the year 2000 we will probably have half of that.

Senator DEWINE. That is a shocking figure.

Senator FEINSTEIN. Have they asked for more?

Mr. BANKS. Well, there has not been actually an increase in the marine program over the last 5 years.

Senator FEINSTEIN. But have you asked for more?

Mr. BANKS. I believe there is a request. We are currently designing that request, yes.

Admiral LOY. I could go, if I might, sir.

Part of this USIC review that I have attempted to undertake since I got the responsibility was to translate not only policy reviews, but what is the resource shortfall associated with getting the job done appropriately.

I have done that. We have had a conference with all of the players, which is a quarterly conference that the U.S. Interdiction Coordinator runs together with the J–3 in the Pentagon, and we have compiled that report and offered it to General McCaffrey as the appropriate person for whom we work inside the administration.

I am absolutely convinced that that package will be very much part and parcel of the certification process that he uses by law to explore the adequacy of each agency's budget request in the future.

Senator DEWINE. It is just to me abundantly clear, after having traveled in the region, talked to some of your folks down there, both in Customs and in the Coast Guard as well as DEA, that the resources simply are not there at this point.

In other words, there are so many things that you can do. I have frankly a great deal of confidence in both of your Departments, both of your agencies to get this done, but the resources are not there.

And Mr. Banks, when you recited those figures, those are astounding figures, absolutely astounding figures. I mean, they should be a shock to this Congress. They should be a shock to all Americans, to hear what those figures were.

Admiral, one of the fringe benefits that I believe you achieved with both Operation Frontier Shield and Operation Frontier Lance is the on-going improvement in cooperation with some of the other countries in the region. I wonder if you could maybe talk a little bit about that, because that is an intangible that in the long run I think will pay a great deal of dividends for us as well as for them in their antidrug effort.

I mean, I know when you talk about the Dominican Republic and you talk about Haiti, we are dealing with Coast Guard and other law enforcement that certainly is not up to the standards that we would expect to see in this country, but that informal relationship and working together that you achieved during that relatively brief period of time with both of these operations I think is a real fringe benefit, and I wonder if you could just talk for a moment about that.

Admiral LOY. Yes, sir. I am happy to do that. In both cases, with respect to Frontier Shield, which has principally a Puerto Rican-Virgin Islands focus, the active participation of State and local agencies, the FURA and the PRANG out of Puerto Rico, and the international wedge of activity that was associated with it, was very much part and parcel of beginning the process of leveraging their indigenous capability and compiling that as a capability that can then be dealt with in the overall scheme of things.

And Frontier Lance, the same. That was the first operation that we actually ran out of Hispaniola. We ran that out of the south coast of the Dominican Republic, terrifically positive in terms of being a step forward, as you were citing, in terms of international cooperation. It, too, included U.K. And Netherlands cooperation in terms of contribution of aircraft hours and ship days.

So yes, sir, you are absolutely right. I would go further and state that the President's visit to Barbados just a year or so ago offered expectations and hope with respect to many of those island nations. Further, the negotiated bilaterals that we now enjoy with many of them offers that same leveraging opportunity for them to grow in

their own capability and then be used well in the total theater effort, if you will.

Last, I would note that in the current 1999 budget on the Hill there is a request in our budget for a Caribbean support tender, the idea there being to staff, including potentially with some foreign nationals as part of the crew even, and make literally a round robin kind of training and maintenance upkeep activity centered on that particular hull.

As I last recall the action on the Hill, it was supported at not quite the President's request level in the House, and zeroed out on the Senate side, so again, that is something that I think we could instantly do that would be supportive of exactly where you are going with the international engagement.

Senator DEWINE. I appreciate your comments very much. We could go on with this panel, at least I could, for a long time. I have a lot more questions.

But we do have a third panel that has been waiting for some time. I want to thank all of you very, very much for joining us. We look forward to continuing the dialog both formally and informally in the future. Thank you very much.

Let me invite our third panel to come up. We will take a short break, with the emphasis on short, and I would ask the third panel to be seated, and I will introduce you in a moment when we come back.

[Recess.]

Senator DEWINE. I would like to welcome our third panel. Let me introduce our third panel. Mr. Henry L. Hinton, Assistant Comptroller General, National Security and International Affairs Division, the General Accounting Office, Dr. Barry Crane, Project Leader, Institute for Defense Analyses, Dr. A. Rex Rivolo, Principal Analyst, Institute for Defense Analyses.

Let me welcome all of you. I apologize for the delay. You all have been around Capitol Hill long enough to know that occurs, especially when you are on the third panel.

Mr. Hinton, let us start with you, and we have your prepared statement, which is a part of the record, and we would invite you now just to make some opening comments. We are going to go basically by a 5-minute rule with a little flexibility there, and we will start with Mr. Hinton.

STATEMENT OF HENRY L. HINTON, ASSISTANT COMPTROLLER GENERAL, NATIONAL SECURITY AND INTERNATIONAL AFFAIRS DIVISION, GENERAL ACCOUNTING OFFICE

Mr. HINTON. Thank you, Mr. Chairman. I am pleased to be here today to present our observations on the effectiveness of U.S. efforts to combat the movement of drugs into the United States.

My statement discusses the challenges of addressing international counternarcotics issues and obstacles to implementing U.S. and host national drug control efforts. My testimony is based on a body of work that we have done at the request of several congressional committees and Members over the past 10 years, and some of the recent reports that we have done concerning U.S. counternarcotics efforts in the Caribbean, Colombia, and Mexico.

In summary, Mr. Chairman, our work indicates that there is no panacea, as I think we all know, for resolving all of the problems associated with illegal drug trafficking. Despite longstanding efforts and expenditures of billions of dollars, illegal drugs still flood the United States.

Although U.S. and host nation counternarcotics efforts have resulted in the arrest of major drug traffickers and the seizure of large amounts of drugs, they have not materially reduced the availability of drugs in the United States.

A key reason, Mr. Chairman—we have heard a little bit about this this morning—for the lack of success of U.S. counternarcotics problems, is that international drug trafficking organizations have become sophisticated, multilbillion industries that quickly adapt to new U.S. drug control efforts. As success is achieved in one area, the drug trafficking organizations quickly change tactics, thwarting U.S. efforts.

Other significant longstanding obstacles also impede U.S. and source and transit countries' drug control efforts. In the drug-producing and transiting countries, counternarcotics efforts are constrained by corruption, limited law enforcement resources, and institutional capabilities, and internal problems such as insurgences and civil unrest.

Moreover, drug traffickers are increasingly resourceful in corrupting the country's institutions.

Some countries, with U.S. assistance, have taken steps to improve their capacity to reduce the flow of illegal drugs into the United States. Among other things, these countries have taken action to extradite criminals, enacted legislation to control organized crime, money laundering, and chemicals used in the production of illicit drugs, and instituted reforms to reduce corruption.

While these actions represent some positive steps, it is too early to really tell their full impact.

U.S. Counternarcotics efforts have also faced obstacles that limit their effectiveness. These include organizational and operational limitations, and planning and management problems, and over the years we have reported on problems related to competing foreign policy priorities for operational planning and cooperation, and inadequate oversight over the U.S. counternarcotics assistance. We have also criticized ONDCP and U.S. agencies for not having good performance measures to evaluate results.

We have made a number of recommendations to improve U.S. counternarcotics efforts through better planning, sharing of intelligence, and the development of measurable performance goals.

Mr. Chairman, in closing I just want to make the committee aware of three efforts, in addition to those that Senator Feinstein brought up this morning that we have been working on, that we have been asked to do by Senator Grassley and also Chairman Hastert of the Government Reform and Oversight Committees.

They are to update our work that we have done on Mexico and Colombia, and to take a specific look at DOD in terms of its efforts to provide assistance to the law enforcement community, as well as the assistance that it gives host governments.

That will do it, Mr. Chairman. I stand ready to answer any questions you may have.

[The prepared statement of Mr. Hinton appears in the appendix on page 69.]

Senator DEWINE. Again, thank you very much. Dr. Crane.

STATEMENT OF DR. BARRY D. CRANE, PROJECT LEADER, INSTITUTE FOR DEFENSE ANALYSES

Dr. CRANE. Thank you, Mr. Chairman, for inviting and Dr. Rivolo and me to discuss our research. We are supported by the Department of the Defense and do operational evaluation of the interdiction forces.

We provide a lot of that analysis to Admiral Loy, the USIC, and we would like to share some of the results. I believe there are some opportunities, based on our research, that could come our way that could perhaps help decrease the consumption of cocaine.

The most interesting operation occurred in Peru and—I am going to be pretty brief here—the operations in Peru are very encouraging. In Peru, a very small interdiction force, using several bases, was able to cause severe damage to the base transportation structure. Base, because it was interdicted up the line, dropped to a very low price level, bankrupting many of the farmers.

Now, this leads to a potential operational concept in the source regions. If you look at the map there, you can see the small green growing areas are the source of the cocaine problem. In Peru coca farms have declined rapidly because of the unprofitability of the industry, the loss of profitability of base.

It would be possible to run another operation in Colombia. You would have to gain air control to force abandonment of a substantial part of the industry, in our opinion.

Furthermore, there are other types of attacks, for example, that have been seen to cause substantial damage, though some of them are transient.

In 1997, for example, there were PNP attacks on several of the very large production labs. We saw a large response from that.

Senator DEWINE. Large response in what sense?

Dr. CRANE. We saw positive test rates in the corporate sector drop 25 percent. We have many measures of merit. Dr. Rivolo can discuss them in more detail if you would like. We are prepared to go through some more detail if you would like to see some of these things.

But 1997 a production attack was successful, but there were insufficient forces to follow through with an integrated JIATF attack in the summer. The plan was an excellent plan in my opinion—I was asked by Admiral Kramek to independently evaluate it—but there were not sufficient forces to conduct the three-prong interdiction in EASTPAC, the Central Caribbean, and Puerto Rico which was eventually sustained. Currently, they are still focusing on the north coast operations, attempting to interdict the air traffickers.

In Colombia you have a situation where thousands of flights are undetected by either intelligence or radars. There are substantial efforts, for example, by the Department of Defense to deploy new technologies to find these flights in an ongoing effort.

So I believe, if I can summarize, the things that I think will cause a major impact on the cocaine system, at least in the nearer

term: You have got to gain air control in Colombia. You do not have that today.

You could follow through with attacks on some of the major production labs. The history is replete—I have got four or five examples of that. You can ruin the efficiencies of these growing areas, and that is a very important concept here, to help us reduce cocaine.

Senator DEWINE. Great. Good summary. Thank you very much. Doctor.

STATEMENT OF DR. A. REX RIVOLO, PRINCIPAL ANALYST, INSTITUTE FOR DEFENSE ANALYSES

Dr. RIVOLO. Thank you, Mr. Chairman.

As a technician, it is my job to separate the facts from opinion as was pointed out a little while ago, and in this business it is very difficult to do.

I am here to bring you some of those facts, and I have three things to tell you, but before I get to that point, I would like to point out that facts can be accurate but also irrelevant; in many of the things we do in the counterdrug business, there really is only one measure of effectiveness, and that is reduced use.

All of the other things, the seizures and the number of people prosecuted, are all irrelevant if they fail to produce a reduction in use, and I need to emphasize that. When I look for effectiveness in what we do, the ultimate thing is to look for that benefit.

I have prepared a bunch of graphics that I am not going to go through unless you ask specifically, but I would like to ask for them to be entered into the record, showing the three things that I came here to tell you.

The first thing, which has already been said elegantly, is that drug use after a 10-year monotonic decline, has in recent years reversed. That is universal across all drugs.

The second thing is that interdiction efforts——

Senator DEWINE. You say that is universal among all drugs?

Dr. RIVOLO. All drugs. All drugs, including alcohol, tobacco. It is really a social—now, one must look at the right population to make that statement, because if you simply pool everyone into a category over 12 years of age you are counting a lot of 60 and 70-year-old people that dilute the real measure. The drug problem resides in young people, and it is there that we need to focus.

Senator DEWINE. So your principal statement is what? Say it again.

Dr. RIVOLO. That drug use is on the increase, and that it is universal across all drugs, as measured where things count, which is in the young population.

The second thing I am here to say is that interdiction efforts have been shown to be highly effective when properly focused, and I wish to emphasize properly focused.

We have seen interdiction essentially stop the rapid fall of cocaine prices in the 1980's, ultimately arrest that drop, and actually reverse it. The reversals were significant, and during those reversals, more importantly, came a large number of benefits, including reduced deaths, reduced emergency room visits, reduced number of felons arrested for that drug, and so on.

So the three basic points are that drug use is on the rise, and therefore the solutions we need to look at need to be effective. The only way to measure effectiveness is to measure a decrease in the prevalence of drugs, or the consequences of drugs.

We can show, although in technical discussions only, that interdiction events can actually stop the falling prices, which are falling basically because of competition, and in some cases actually reverse them, and when prices reverse there are clear indications that the consequences of drug use—that is, the number of new initiatives, the number of people who show up in emergency rooms, the number of deaths, the number of people who test positive in our jails—all drop proportionately.

It is really a solid argument from beginning to end that interdiction, when properly focused, and I again want to emphasize the focus, does have a benefit which is measurable in reduced consequences.

That is my statement.

Senator DEWINE. Well, of course, that leads to the next question. What has your research found, or what have you found in regard to "properly focused"? For policymakers, what do we need to know?

Dr. CRANE. In 1989, when the—and I am addressing the drug industry, which is cocaine, which is the one we know most about. I also might add, probably the biggest drug problem.

In 1989, the basic route was from the producing country of Peru to the refining country of Colombia, and then out of Colombia, a straight line through the Caribbean at very, very low risk, landing into the shores of the United States.

We knew that that was a clear place where we might have an effect, and when we mobilized, the Coast Guard essentially closed the Caribbean, closed the Bahamas, and the Caicos Islands, and we had for the next 18 months an enormous increase in the price of cocaine.

Along with that price increase came a large reduction in emergency room visits, the number of deaths, and so on.

We knew that the Caribbean was a place where interdiction efforts would be well-focused. That machinery remains in place today. If we go home, they will return to that.

Senator DEWINE. If we what? I just did not hear you.

Dr. CRANE. If we go home, if we just pack up and leave the Caribbean, we will go back to what it was in 1989. Since 1989, the drug industry has found an alternative. They formed a new industry, which was the transportation cartels, mostly dominated by Mexico, and the business now proceeds by growing region, refining region, transportation region, ultimately into the United States.

But there is a price to be paid for that. The Mexicans charge 100 percent of the value of the drug for that service, and thereby the industry now has increased costs, which are either passed on to the consumer, which lowers the number of people who use, or they take reduced profits, and both of those things have, indeed, happened.

We realized that early on, that that was the mechanism. From 1990 to about 1995 there were a few other events well understood that we can point out to you in detail, but in 1995, in March 1995, to be exact, an event evolved which we knew was going to be very

well-focused, and that was the take-down of the air transportation bridge from Peru to Colombia.

That was the only mode of transportation of raw materials to refiners. It was wide open, at zero risk.

When the Peruvians agreed to take aggressive action, and aggressive action is, you ask someone to follow me and land, and when they do not, you shoot them out of the sky, and that is what the Peruvians did, within weeks, that bridge was shut down.

Within weeks, actually within months, the consequences of that event were showing up in the streets of New York, where import prices had doubled. California was seeing the same thing, and in fact across the United States we had seen about a 30 to 40 percent increase in price.

And at the same time, when the data came in, which was years later, we saw that at that time we had reduced medical consequences, reduced prison test rates, and we have charts for all of that.

Today, the Caribbean is shut down, the air bridge is shut down. Where is the focus? The focus is in Colombia, and I cannot emphasize that enough. The problem has concentrated into Colombia, and now, the only weak point that we can obviously see is in Colombia.

That means either getting our presence into Colombia, or giving the Colombians a presence, which means air, air assault. They have neither one of those two capable of operating at the ranges in which Colombia finds itself. We are talking about 600, 700 miles. The Colombians are not capable of handling that problem. They need some sort of assistance, either by us participating or by us giving them the tools and the training necessary.

If we do that, if we shut down air operations in Colombia, you will shut down the cocaine industry and the heroin industry, which is more important at this point, because now we are seeing that because cocaine has become an unprofitable industry, heroin is now being substituted, by the very same organizations, grown right there in Colombia, because it is much lower risk. It is much easier to take a kilo or two of heroin than it is to take 500 kilos of cocaine.

That is one place where we can increase risk. The other place is what Admiral Loy pointed out, that in the Caribbean, where the pressure is already immense, the risk is very high; the only way you are going to increase risk is not so much by putting more ships and airplanes there, but by changing the rules. If you shoot, not to kill necessarily, but if you shoot to stop boats, you will have an enormous change in the overall way the industry operates.

That is what I mean by focused.

Senator DEWINE. Mr. Hinton, do you have any comments on that?

Mr. HINTON. No, sir. I have not seen the results of their work that they have done that I could be in a position to comment.

Senator DEWINE. You talked earlier about basically the lesson learned in Peru, and I guess, Dr. Rivolo, extrapolate on that, or explain that. Is that correct?

Dr. RIVOLO. Yes, sir.

Senator DEWINE. That is what you were talking about is the lesson?

Dr. RIVOLO. Yes, sir.

Senator DEWINE. The change of operation in Peru, the air bridge.

Dr. CRANE. If you would look at the chart, I have got the prices in Peru of the raw base material averaged over time, and you can see, if you look around 1995, you see a large price increase in Peru. You see when interdiction stopped, the farmers produced a lot of base material, flooded the system, so you have to put a lot of stress on them.

Once the air bridge was damaged in the interior of Peru and they were forced to use surface transportation, you can see that the base price and cost on the chart are about equal. This forces them to abandon the cocaine fields, and that has been observed in more recent years by satellite photography.

Now, on top of the graph you see some of the prices in Colombia. If you were to interdict the Colombian air transport system, this would cause a large price increase and it would potentially be able to stop the ever-increasing coca farms that are being planted.

As you recall on the map, the coca industry that affects the U.S. is concentrating itself, primarily in Colombia. That trend suggests that we are going into a smaller and smaller growing area, but it is also becoming a more and more difficult problem.

The requirement, really—I think if you were to succeed at this—in Peru we were quite lucky. The example there was, we had two critical fighter bases at exactly the right places, where the traffickers had to exit the country. The results were achieved with as few as five or six fighter planes. I mean very modest resources, very good intelligence.

In Colombia we do not have as good intelligence, so we are going to need surveillance aircraft, we are going to need a base—probably in the eastern sector that will be hard to defend.

You do several of these kinds of things, and we should be able to cause severe damage.

Now, by severe damage, I mean with the current rules of engagement, intercepting successfully and forcing to land as few as 3 or 4 percent will substantially damage the system under the current rules of engagement, so it is not a hopeless task by any means.

It is not an easy task, however, because none of the infrastructure resources or assets are really available to do that.

Senator DEWINE. Mr. Hinton, the GAO has done numerous studies in the past several years regarding counternarcotics operations in the region. Your October 1997 study focused on interdiction efforts in the Caribbean and the Eastern Pacific. Can you walk us through the specific decreases in funds for interdiction since the late eighties and early nineties? Can you do that? Do you have that information in front of you?

Mr. HINTON. Yes, sir.

Senator DEWINE. Can you just talk about which agencies have suffered the most cuts, maybe?

Mr. HINTON. I do not have it down to that level, but I will comment basically on the graphic that you had up there this morning that showed the differences. Our work parallels that. We would agree basically with the differences after the mid-nineties, where they dropped down into the teens on interdiction, and we saw that shift happening right after the 1993 time period. What that really

translated to, as to the Eastern Pacific and the Caribbean, was reduced flying hours, reduced steaming days and those type of things that did not allow interdiction to take place.

And as I think about the issue of interdiction, there is no question that some level of interdiction needs to be maintained, maybe as a signal of our national resolve, but also a key part of the national strategy. I think the real test there is in determining the appropriate level of interdiction. The level of that effort should be commensurate with the relative contribution that interdiction is making or expected to make.

In our work, we have been pushing ONDCP to come up with performance indices, and we heard the General talk about those this morning, and I am pleased. I think that is a good step.

What I do not see yet as we look and hear discussion is whether the investment that we are making, whether it be enforcement, interdiction, and the other parts of it, is tied to the agencies' goals, and that we know we are going to get a return on our investment, and I think the key to that is the criteria to measure the goals.

Senator DEWINE. I lost you there, or you lost me. One of us got lost there. I guess I am lost. But what do you mean, as it relates to the agencies, under the performance standards?

Mr. HINTON. Right. We heard the General lay out the goals this morning, and he said he was going through the budget process with all of the agencies and the key players, and now he is in the process of linking the resources to the goals, and as I look at it, whether it be regional goals or whether it be country goals, you a coordinated team that is going to implement them. How do those players interact to meet those goals? How do we know that we are having success on a particular region, or a particular country? What is the return on our investment going to be?

I think that the goals that I have seen coming out of ONDCP are a step in the right direction. There are several that are quantifiable, there are several that are qualitative, and I think that, as he mentioned, that as a next step he hopes to have a better refinement of those indicators, which I think is positive.

Senator DEWINE. Dr. Crane, any other general recommendations as far as public policy, as far as knowing what interdiction is valuable and what is not? I mean, you made a blanket statement, then you gave a very specific example, but any other guidance for this committee, for Congress?

Dr. CRANE. To summarize the results, I think there are potential opportunities in the source zone to cause relatively large effects—that is, a substantial rise in prices and reduction in use.

If you look at the testing rates, for example, in corporate America—we gather a lot of this type of data—there were large drops in positive testing rates when these attacks occurred on the cocaine system.

So we use a lot of these measures that are much more refined than those used by ONDCP to look at specific operational events. They seem to suggest that there are really just three or four things in the source region that you can do. The first one, of course, is they require aircraft, and we should be able to maintain air control over some of these areas. We have got to do it if we want to have a successful strategy.

The second thing is, while you are doing that, it forces them into efficiencies in their production labs. They cannot have them all distributed because it costs too much, so that gives you more lucrative targets in the production laboratories, which you then can strike with air assault forces.

However, we should not be kidding ourselves here. The guerrilla forces in Colombia, the FARC, are operating at company and brigade-size level. We are looking at really relatively large military operations to survive these strikes.

On the other hand, we have to do it. So if you first cutoff the air bridge, the money to the FARC gets cutoff. Then the potential increases to go after these labs, which they have go to consolidate.

The third part of our research suggests that they have to consolidate efficiently the growing areas, and so there are certainly potentials to go after the fields themselves and make it difficult to plant them.

All of these things have to be done in Colombia, in my opinion. They would have a significant effect on the cocaine business.

Now, that said, there are still other operations. They still have to get it to the United States, and so we continue to use high technology and other things, and sufficient forces to cause a lot of damage.

In the early eighties they were using all aircraft to bring it to the U.S. Very few aircraft, in comparison, are now used. However, they do adapt, and they do use other means, and so this always is a challenge to the interdiction coordinator.

Senator DEWINE. Gentlemen, thank you very much. This panel has been very helpful. We appreciate your testimony. We look forward to working with all of you in the future.

[Whereupon, at 1:12 p.m., the committee adjourned.]

APPENDIX

Prepared Statements

PREPARED STATEMENT OF SAMUEL H. BANKS

Mr. Chairmen and Members of the Committee and Caucus, I would like to thank you for your continued support and interest in the efforts of the U.S. Customs Service against the global scourge of drug trafficking.

It is a pleasure to appear before the distinguished Committee and Caucus today to discuss S. 2341, the "Western Hemisphere Drug Elimination Act," as it relates to the United States Customs Service, particularly our air and marine interdiction programs.

As one of the agencies primarily involved in the Nation's drug interdiction and enforcement efforts, our mission is not only to disrupt the flow of illegal drugs through seizures and arrests, but also to dismantle drug organizations via investigations throughout our assigned areas of responsibility. Customs remains at the forefront of our Nation's narcotics interdiction and investigative efforts. Our foremost priority continues to be narcotics interdiction. Our counter-narcotics efforts are focused in 3 areas: air interdiction, marine interdiction and interdiction at our land borders and ports of entry.

AIR PROGRAM

Comprised of 114 operational aircraft, the U.S. Customs Air Program is mandated to disrupt organizations that are smuggling drugs and other contraband into the United States by aircraft. This is accomplished through the utilization of a three-pronged, intelligence, interdiction and investigative approach. To this end, the Air Interdiction Division dedicates its resources throughout the hemisphere to detect, sort, intercept, track and ultimately apprehend traffickers and seize their contraband.

Drugs coming to the United States from South America pass through a six million square-mile area that is roughly the size of the United States. This area, referred to as the Transit Zone, includes the Caribbean, Gulf of Mexico, and Eastern Pacific Ocean.

Customs Double Eagle missions, a P–3 AEW flying in tandem with a P–3 Slick, provide the most effective detection and monitoring package available. Flying together, these aircraft have effectively worked both air and maritime targets ranging from South American air bridge movements to high-speed go-fast boats in the Caribbean.

Absent an effective air interdiction program, general aviation aircraft provide almost an ideal means for smuggling narcotics. Air transportation maximizes control of the load while maintaining the time and frequency of exposure and theft.

MARINE PROGRAM

Beginning in 1980, the Customs Service implemented a national marine program in response to the tremendous number of narcotics smuggling ventures being conducted in the U.S. Coastal waters. Comprised of 84 vessels, the U.S. Customs Marine Program is mandated to disrupt organizations that are smuggling drugs and other contraband into the United States by vessel. Customs has primary responsibility for interdicting illegal contraband in the arrival zone. Through its investigative efforts the Customs marine interdiction effort has targeted and disrupted various well organized and financed international smuggling organizations smuggling illegal contraband into the United States.

Although the Customs Service coordinates with the U.S. Coast Guard and INS Border Patrol in conducting marine smuggling investigative and interdiction efforts, the Customs Service remains the only federal agency tasked with the primary goal of disrupting and dismantling smuggling organizations that are utilizing vessels to

smuggle drugs and other contraband into the 19,943 kilometers of coastline around the U.S.

In FY 1998 to date, the marine Program has been instrumental in the seizure of 37,222 pounds of cocaine, 38,211 pounds of marijuana, 39 pounds of heroin and 85 pounds of methamphetamine.

LAND BORDERS

Technology plays an important role in all Customs counterdrug activities. It provides new capabilities to allow inspections to keep up with changing smuggling techniques, acts as a force multiplier, increases enforcement effectiveness and efficiency and allows us to cope with growing trade and traffic.

The Administration has developed a comprehensive and structured 5-year Customs technology plan to deploy counterdrug technology to the port of entry, subject to budget resources, to significantly increase the smugglers' risk of detection all along the entire Southern Tier of the U.S. This technology includes: non-intrusive technologies (e.g. fixed and mobile truck x-ray systems, gamma-ray inspection systems for trucks and railcars, and higher energy heavy pallet x-ray systems); technology for outbound currency and weapons at ports along the Southern Tier; dedicated commuter lanes which depend on technologies such as voice recognition biometric identification, "smart cards" (a chip on a credit card-sized card which stores information about the individual), and vehicle movement control technologies along the Southwest border; investigative; intelligence, and encrypted, digital, voice communications technology; and automated targeting systems. Recent accomplishments in the development of new and larger-scale non-intrusive inspection systems will provide Customs with the opportunity for unprecedented improvement in the intensity and number of inbound inspections of cargo and conveyances.

Customs currently operates five truck x-ray systems in El Paso, Ysleta, and Pharr, Texas and Otay Mesa and Calexico, California. In addition, prototype mobile truck x-ray systems are operating in Laredo, Texas and Miami, Florida. One prototype gamma-ray system is in place at Santa Teresa, New Mexico. The prototype gamma-ray system uses gamma-ray radiation to penetrate the structure of heavier-bodied trucks, such as propane tankers, to allow Customs to examine both the conveyance and some cargoes for the presence of contraband. The first truck x-ray system became operational in July 1994. This system and the four others that have become operational since March 1997 have been involved in 315 drug seizures totaling over 70,000 pounds of narcotics. By December of 1998, Customs will have three additional fixed site truck x-ray systems operational in Laredo and Brownsville, Texas, and Nogales, Arizona.

We believe this type of technology is invaluable in enhancing Customs narcotics enforcement capabilities without impeding the flow of legitimate commercial traffic. The fixed site truck x-ray and mobile truck x-ray can inspect approximately eight full size tractor trailer trucks per hour. The gamma-ray system can inspect 12–15 tractor trailer trucks per hour. Both of these systems can inspect any vehicle that is legal for operation on public roadways. Mobile x-ray systems will also be available for use at border patrol checkpoints along the Southwest border. The first mobile x-ray has been responsible for seizing over 6,000 pounds of narcotics in the past year.

This combination of flexible interdiction support will force the smugglers to utilize other, less desirable, means of smuggling.

CONCLUSION

Once again, Customs remains at the forefront of our Nation's narcotics interdiction and investigative efforts. Our foremost priority will continue to be narcotics interdiction.

This concludes my statement for the record. Thank you again for your continued support of the United States Customs Service and the opportunity to appear before the distinguished members of the Committee and Caucus.

PREPARED STATEMENT OF WILLIAM R. BROWNFIELD

Mr. Chairman, Members:

It is a pleasure to present to these committees the views of the Department of State concerning S. 2341, the "Western Hemisphere Drug Elimination Act."

GENERAL

The Department finds many things about this measure that are very positive, and very important. The single most important thing about it, and about these hearings today, is the breadth and depth of truly bipartisan support for effective measures to reduce the availability in the United States of illegal drugs that originate in other countries. The extent of the damage done by illegal drugs to our country is manifest from the fact that the Administration's requests for funding of programs and activities by Federal departments and agencies against illicit drug abuse, trafficking and production have mounted to over $17 billion for Fiscal Year 1999.

Those of us that spend our professional lives implementing some aspect of those programs realize that the American people want and desperately need us to succeed. They have a right to expect our utmost efforts. We recognize that we can do nothing without the strong support of the Congress. This measure is an important further demonstration of how strong and broad that support is. We who carry out these programs cannot help but welcome this.

This measure further reflects the realistic recognition by the Congress that our overall efforts to reduce the abuse of drugs and its consequences for the American people, and the specific efforts of the agencies on this panel to reduce the availability of illegal drugs that originate beyond our borders, cannot work on will or wishes alone. These activities take money, and some of the more highly technical and resource-intensive of them take a lot of money. In light of the staggering costs of illegal drug abuse and the crime and violence that attend it, money devoted to these ends is money well spent. But we must, and this measure does, recognize that money we must have.

The measure further specifies that the activities it seeks to advance, and the money to support those activities, should not come at the expense of our existing programs and funding for drug control. This too is entirely realistic, and important. Within the overall design provided by our National Drug Control Strategy, the Department of State and other agencies engaged in drug control activities at and beyond our borders seek to define and implement balanced, comprehensive and integrated programs to reduce the production and traffic in drugs. Additional resources to augment those activities cannot help but increase our prospects and advance the imminence of our success. Trying to gain the same end by robbing Peter to pay Paul would only disrupt and retard our programs, or so unbalance them as to actually reduce our chances of success.

This measure addresses funding for drug control activities on a multi-year basis. The Department of State entirely agrees that strategic priorities for drug control activities, and funding for their implementation, must be established and sustained in a way that is persistent over time. The drug addict on the street of an American city does not go to Peru, Burma or Mexico for his product. He—and she—is supplied by a huge multinational agro-industrial complex that is as global, complicated and lucrative as wheat, petroleum, information technology or any other globally-traded products or services. Like other multinational enterprises, the illegal organizations that deal in drugs of abuse seek to diversify, functionally and geographically, to reduce risk and maximize profits. They invest and operate, adapt to changing business conditions created by our efforts against them, and invariably seek to outlast whatever governments do.

We support the objectives outlined in S. 2341. But we must be realistic in setting our timelines. Is it realistic to expect an illegal multinational agro-industry with the size and complexity of the several illegal drug industries to be diminished substantially by December 2001? The *National Drug Control Strategy* addresses programs for the reduction of the supply of and demand for illicit drugs through comprehensive programs against illicit drug production, trafficking and abuse, within the United States, at our frontiers and beyond them, in terms of five- and ten-year timeframes. The Department of State considers these periods to be realistic timeframes within which such activities can be expected to provide objective, quantifiable and measurable outcomes.

INTERDICTION ACTIVITIES INDISPENSABLE TO DRUG CONTROL SUCCESS

I will turn shortly to discuss in more detail some specific aspects of the legislative measure under consideration here. It addresses many aspects of our foreign programs against the production and traffic in illicit drugs, but strongly emphasizes activities oriented to the detection and interdiction of illicit drugs as they are smuggled by air, sea or land toward and across our borders. Our National Drug Control Strategy clearly recognizes that interdiction of illicit drugs is an indispensable and integral element of our national efforts. These programs are an important, visible demonstration of our nation's will to fight illegal drug trafficking. They have politi-

cal value as a demonstration of national will. They have practical value, in addition to intercepting and seizing illegal drug shipments, by serving also as a deterrent, increasing the costs and risks of smuggling drugs toward and into the United States.

The Department of State is not, as such, an interdiction agency. It does not itself run large interdiction operations. The Department of State is, however, the inevitable partner to the interdiction agencies to enable them to carry out those activities which, as so many do, entail securing the consent, cooperation or independent action by other governments for activities carried out abroad. The Department has taken many actions, and operated many programs and projects, that have contributed importantly to the success of interdiction programs and the agencies that fund and operate them, and will continue to do so.

International Narcotics Control foreign assistance funding support has been important to sustain cooperative actions by the Bahamas and Turks and Caicos Islands under OPBAT, and with other Caribbean nations and territories. This program sustains the transit zone-wide Joint Information Coordination Center or "JICC" program in cooperation with the U.S. Government's El Paso Intelligence Center. This support was instrumental to interdiction success in Guatemala of Operation "Cadence", in which Guatemalan authorities in cooperation with DEA virtually hounded cocaine transit activities out of the country. The Department of State, in conjunction with DoD, the Coast Guard and DEA, has promoted establishment of maritime counterdrug agreements in the Caribbean region which give U.S. enforcement agencies rapid access to suspected drug trafficking vessels, and encourage cooperation by other government authorities in these efforts.

These activities, along with our strong support for cooperation with the Government of Mexico, directly support the interdiction programs that respond to Goal IV of our National Drug Control Strategy, to protect our air, land and sea frontiers from smuggling of illegal drugs. Further from our borders, in countries where the crops that are the raw material from which the botanical-source drugs of abuse, cocaine, heroin and marijuana are derived, we are making other efforts in response to Goal V of the National Strategy, to break foreign drug sources of supply. To break foreign sources of supply, we must break the production of these crops at their roots. In the specific case of cocaine, the only sources of supply are in the three Andean countries in South America, Colombia, Peru and Bolivia. Acting in cooperation with the governments of those countries to eliminate the production of coca that is the raw material for illegal cocaine was defined as an important drug control and foreign policy priority for us by the President's policy directive on drug control in the Western Hemisphere, Presidential Decision Directive 14 of November 1993.

In accordance with this directive, the Department of State and the Chiefs of Missions and U.S. Government agencies represented in the Country Teams of those three countries have defined and are implementing comprehensive programs intended to reduce and ultimately eliminate the cultivation of coca destined for the production of illicit drugs that will be smuggled to the U.S. These efforts have included cooperation by the Departments of State and Defense, the U.S. Customs Service, Coast Guard, DEA and other agencies to extend our direct support selectively to limited, cost-effective efforts by the source countries to interdict cocaine exports or movements within or among them. We note and welcome the fact that one of the largest single items in the measure now under discussion addresses specifically this category of U.S. Government programs.

This class of U.S.-supported source country interdiction has a fundamentally different strategic purpose. Our border and near-border interdiction programs are the right and responsibility of any government to protect the integrity of its borders and the security of its citizens within them. Our support of source country interdiction efforts is not intended to simply seize or destroy drugs, or arrest smugglers. It is intended more strategically to attack the economic activity of the illegal drug industry within the source countries themselves. These programs, with other drug law enforcement activities of the foreign governments and concerned U.S. agencies, are intended to so disrupt the illegal drug industry as to make it possible on a long-term basis to reduce and eliminate cocaine production at the source.

The Congress has participated directly and importantly in this aspect of our international efforts in the past, by approving legislation in 1994 which authorized the President, subject to appropriate safeguards, to make available to selected source countries the benefits of U.S. interdiction technology, intelligence and skill. Since December 1994, this has been the basis for our direct support of and cooperation with actions by Peruvian and Colombian authorities to interdict exports of semi-refined cocaine base by air from Peru to Colombia.

This effort, in the context of the other elements of comprehensive national plans by each country, has enjoyed success beyond the expectations of many that ad-

vanced it, and entirely out of proportion to the relatively limited U.S. support involved. Cocaine flown by air identified as moving from Peru to Colombia dropped to half or less than the levels of air movement observed in 1994. Drug traffickers' inability to make "just-in-time" export flights created local oversupplies at the production points in Peru, which caused prices paid to primary growers to drop precipitously to levels half or less than half of those of a year or two before. Farmers, no longer able to anticipate a reliable income, abandoned growing coca in droves. Net coca cultivation in Peru in 1997 is only a bit more than half the extent it had when it reached its maximum recorded level, in 1992.

This was not accomplished by interdiction alone. It required many other elements of a comprehensive, integrated national approach, most significantly alternative development assistance. Maintaining this validated successful coca crop reduction concept in Peru, and establishing and sustaining other concepts appropriate to the greatly differing circumstances in the other two countries, will require continued foresight, imagination, careful planning, great perseverance—and sustained funding. However, in this success, the role of source country interdiction, and our support of it, was one of the indispensable elements. Without it, we are utterly certain, the success could not have occurred. Successes in drug control have not been as frequent as we would wish. This success was made possible only by the cooperation of the U.S. interdiction agencies, the Department of State, other concerned U.S. agencies and the governments concerned. It offers much promise for the continued imaginative employment of interdiction capabilities, in the source zone as well as in the transit and border regions, to attain our long-term national drug control goals.

LEGAL AND ORGANIZATIONAL CONCERN

Before I turn briefly to some specific aspects of S. 2341, I would like to identify one aspect of that measure that relates specifically and only to the Department of State, which the Administration considers infringe unacceptably upon the authority and responsibilities of the President and the Secretary of State. I refer to Section 206 of S. 2341.

Section 206(a) would legislatively prescribe certain prerequisites for an individual nominated by the President to serve as Assistant Secretary of State for International Narcotics and Law Enforcement Affairs. As a matter of principle, the Department of State believes that the Secretary of State's flexibility in personnel matters, and the President's appointment prerogatives, should be respected and protected to the maximum extent possible. The Assistant Secretary and Principal Deputy should have wide experience and expertise in policy development and implementation, and should be able to work with the Department's senior management, the regional and functional bureaus, and other agencies. The particular restriction that would be established by Section 206(a) would be totally inconsistent with this principle. Section 206(b) would intrude inappropriately upon well established and effective procedures for the management and implementation of United States foreign military assistance programs that have been cooperatively employed by the Departments of State and Defense. We urge that in any consideration of legislation on this subject, these provisions be excluded.

ALTERNATIVE DEVELOPMENT

Referring to Sections 201, 202 and 203, as I described earlier, we consider that economic assistance that is delivered to rural populations responsible for the cultivation and primary processing of coca for the defined and specific purpose of causing them to abandon coca cultivation and thereby reduce the net extent of the crop has been an element as important as that of interdiction programs in the striking success of reduction of the coca crop in Peru in recent years. Such "alternative development" assistance is recognized by Peru's national drug control strategy, and that of other countries, as a vital element in attaining those countries' goals, and ours, of eliminating the cultivation of coca destined for illicit drug production. Our efforts to secure participation in these efforts by other donors, and to ensure that alternative development assistance intended for drug control is in fact designed to attain the project purpose of reducing drug crop cultivation, are an important element in our continuing diplomatic dialogue with other donor nations.

The Department strongly favors the principle of augmenting United States Government resources available for alternative development and related counternarcotics programs in Colombia, Peru and Bolivia. However, we question the prudence of establishing rigid categories in the law itself that specify the precise use of such resources. In the absence of opportunity to consult with the foreign governments concerned, this approach could place the President in a position of being authorized to use funds for a purpose which the cooperating foreign government would

not accept. S. 2341 makes no provision for securing from the cooperating foreign governments appropriate commitments regarding the employment of adequate personnel and other support resources, the provision of sustainment support beyond the term of this law, or the manner in which the United States may ensure that such assistance is effectively and appropriately used.

MEXICO

Another specific aspect of S. 2341 whose formulation is questioned seriously by the Department of State is Section 204, relating to Mexico. The Department considers that references to privileges or immunities of United States Government officials in Mexico in a United States legislative measure relating to drug control assistance to Mexico would almost certainly render it less, not more, likely that the United States can resolve the matter of assuring the appropriate and effective protection of its officials in Mexico through continued consultation with the Government of Mexico. Unilateral legislation by the United States Congress on this subject could prompt a political response within Mexico that would constrain the ability of the Government of Mexico to offer continued cooperation with the United States on a variety of other drug control issues of common concern.

S. 2341 also calls for providing the Government of Mexico with additional helicopters. Mexico has in the inventory of its Attorney General's Office (PGR) Directorate General of Aviation Services, and Air Force, a number of Bell 212 helicopters which we believe is sufficient to meet opium eradication requirements at this time. What it lacks are adequate funds to support the operation and maintenance of those helicopters. It would thus serves little programmatic purpose commensurate with their cost, and would not enlarge the total number of Bell 212 flight hours available for this mission category, for the United States to offer additional helicopters whose employment would only further attenuate the resources available to sustain the Bell 212 helicopters now in operation.

INTERNATIONAL LAW ENFORCEMENT ACADEMIES

Referring to Section 401, the Department in principle favors the establishment and operation of additional international law enforcement academies in Latin America, Asia and Africa. The existing International Law Enforcement Academy in Budapest, serving Europe and Russia/NIS, operates effectively with funding by the Department of State from foreign assistance funds provided for international criminal justice, rather than drug control, as a cooperative activity with participation and support of the Federal Bureau of Investigation and other Federal law enforcement agencies. We see these activities continuing well beyond December 2001. We also question the wisdom of setting precise funding for each that does not take into account their specific needs. The Department of State therefore suggests that it would be preferable instead to attain this purpose by corresponding augmentation of the portion of the foreign assistance authorization that is devoted to programs in the criminal justice sector.

LEGISLATIVE MEANS INAPPROPRIATE TO PURPOSE

Mr. Chairman, I have discussed the general matter of how interdiction programs can contribute to our foreign drug control goals of protecting the integrity of our frontiers and eliminating foreign drug sources of supply, and I have discussed some substantive aspects about certain other specific features of S. 2341. The Department of State considers that such dialogue between the Congress and the Executive Branch is a vital element in the elaboration and sustainment of our national drug control programs abroad.

However, I wish to close my presentation with a serious concern about S. 2341.

Our long experience has shown us conclusively that the multinational illegal drug industry is highly and rapidly adaptive, probably outpacing the adaptability of any legal industry I could name. Illegal international movement of drugs is by definition an itinerant activity. Criminals engaged in this traffic change operating practices with great rapidity in response to actions of government authorities to prevent them. Equally rapid adaptation of government programs, particularly programs for detection, monitoring and tracking of the nature addressed here, is indispensable to prevent successful circumvention by illegal activities.

Moreover, our drug control activities abroad cannot be carried out without the fullest consultation, coordination and cooperation with the foreign governments concerned. It is not infrequent that the United States suggests the use of drug control assistance in a manner or for a purpose which the cooperating foreign government does not accept. Further, to effectively protect United States funds employed to assist other governments in drug control activities, it is necessary through consulta-

tion and negotiation to secure from those governments appropriate commitments regarding the employment of adequate personnel and other support resources, the provision of sustainment support beyond the term U.S. assistance, and the manner in which the United States may ensure that such assistance is effectively and appropriately used. The Congress has historically attached great importance to such monitoring of our assistance abroad, especially with regard to human rights.

It is unrealistic to expect that every individual aspect of such a highly complex and specific authorization will prove feasible and will be recognized as remaining desirable. Yet the absence from S. 2341 of any provision for reprogramming would make it impossible to reallocate resources to meet emerging priorities without amending the law itself on each and every occasion when such an adjustment was observed to be necessary.

Specification in the law of individual operating points or areas for specific types of counterdrug activities would provide those engaged in those activities with a detailed plan, well in advance of its implementation, as to how the preponderance of U.S. interdiction and other drug control activities would be carried out. It seems prohibitively likely that by the time material could be procured, agreements reached with concerned foreign governments, personnel and other assets deployed, training and planning conducted, and implementation of activities begun, the target illegal drug activity would long since have redeployed itself to an area which the authorizing law did not address.

Authorization of funds or activities for purposes already addressed by existing authorities or activities of other departments or agencies would be confusing, redundant and would attenuate the regime of legal and policy controls which the Congress has desired the Executive to implement to provide adequate assurance that United States national human rights and other policies are observed, and that waste, fraud, abuse or mismanagement of funds or resources provided by the United States be prevented on a continuing basis.

In short, while we find very many positive things contained in S. 2341, we consider very strongly that the legislative approach adopted in that measure would not in fact advance, and in some instances could actually impede, the effective advancement of those desirable purposes or activities.

Virtually all of the specific activities that are addressed by S. 2341 are already possible under existing departmental or agency authorities. Many are already established elements of agency programs, and are being funded from appropriations now being provided for these purposes. Congress and the Executive have developed a comprehensive set of procedures relating to notifications, consultation and continuing coordination with the Congress in the elaboration of specific plans, programs and activities for which such funds will be employed, and have a comprehensive regime of mechanisms, controls and reporting procedures to account to the Congress for the disposition and use of resources employed for foreign drug control activities.

The Department applauds the objectives reflected in S. 2341. The Department considers, however, that the most effective means of attaining those ends would be to provide defined multi-year authorizations for appropriations to the International Narcotics Control element of the foreign assistance program, and to the established budgets of the other departments and agencies concerned. The President should be permitted to employ funds appropriated in this manner in accordance with existing and effective program planning and financial management systems and procedures, which will ensure to the Congress a continuing consultative role, without the undesirable and imprudent particularism, lack of adaptability, confusion and potential redundancies to which the approach taken by S. 2341 would lead.

In short, the best way to attain the very desirable ends that S. 2341 seeks to advance is for the Congress to first, ensure that existing programs and activities in this area are fully funded at the levels now requested by the Administration, and then second, to augment those levels as may be fiscally responsible, to further enhance our ability to gain the very desirable purposes that S. 2341 seeks to serve.

Mr. Chairman, this concludes my prepared comments. will welcome any questions you may have. Thank you.

PREPARED STATEMENT OF SENATOR ALFONSE D'AMATO

This hearing on U.S. efforts to eliminate drugs in the Western Hemisphere comes on the heels of a disturbing report concerning illegal narcotic use among our young people. I thank the Chairmen for holding this timely hearing that renews our obligation to the international eradication and interdiction of illegal narcotics.

Illegal drug use by our children and youth is taking an enormous toll on families and communities all over the country. A study released by the National Institute

on Drug Abuse found that cocaine and marijuana use among high school seniors has increased 80% since 1992. More alarming however is that heroin use among 12th graders doubled.

The effects of drugs are astounding. It is estimated that drug related illness, death and crime cost the United States approximately $67 billion a year. That is $1,000 for every man woman and child in America. The resources we spend to combat the effects of drugs could have been used for social and economic development. After decades of trying to combat the scourge of drugs, we must finally put a stop to it.

New York State is no stranger to the plight created by illegal drugs. Last year, almost 40% of the heroin seized at our international borders was seized in the New York metropolitan area. This disproportionate amount of drugs destined for New York communities underscores my intentions to do what is necessary to end the flow of drugs into our country.

An effective counter-narcotics control strategy should be balanced and coordinated—including interdiction, prevention and law enforcement. However, one thing is certain, we cannot ignore the interdiction-side of a drug control strategy, both here in the U.S. and abroad. Unfortunately, there has been a disturbing trend in recent years indicating a decline in the importance of interdiction in the U.S. counter-drug strategy. Since 1987, the percentage of the national drug control budget earmarked for interdiction and international efforts has decreased from 33% to just 12%.

In order to obtain a global victory against drugs, we must work to contain and lessen the damage inflicted by drugs. The Western Hemisphere Drug Elimination Act of 1998, which I am co-sponsoring, is a comprehensive eradication, interdiction and crop substitution strategy. This $2.6 billion authorization initiative will make supply reduction a priority again—guaranteeing valuable equipment for our law enforcement, including speed boats at least as fast as those belonging to the drug lords. Our radars and early warning aircraft must be improved so that they will detect elusive planes that smuggle tons of narcotics destined for our streets. It will also allow for extensive training and crop eradication in drug source countries.

This initiative recognizes that drug availability can be decreased by operating against every step in the drug process—from the growing fields to the clandestine laboratories to the trafficking. We must work with reputable law enforcement in narcotic source countries and invest in training for counter narcotics programs which eradicate drugs at their origin.

I would again like to thank the chairmen for calling this hearing which sheds lights on an urgent deficiency within our national narcotic control strategy. This initiative will restore balance to the strategy and make significant inroads towards keeping drugs from reaching our neighborhoods.

PREPARED STATEMENT OF SENATOR BOB GRAHAM

Thank you Mr. Chairman, and thank you for holding this hearing to shed some light on one of the most serious issues facing our nation: the alarming increase in the number of Americans, particularly children, who are using illegal drugs. This increase started in 1992 after more than a decade of declining drug use.

We all agree that the statistics on this are very troubling. The question now before us is what should Congress and the nation do to reverse this disturbing trend. In recent years, we have approved large increases for domestic law enforcement and demand reduction, which together account for more than 87% of our counter-drug budget, leaving only 13% for interdiction and supply reduction activities.

In order to address this imbalance, we have proposed the Western Hemisphere Drug Elimination Act of 1998, which will significantly strengthen our interdiction and supply reduction efforts, without any reduction in domestic law enforcement or demand reduction. I appreciate the willingness of our witnesses to provide us with their input on how to address the funding imbalance, and to suggest ways that we can improve our legislation.

The goal of our bill is to reduce the flow of cocaine and heroin into the U.S. by 80 percent in three years. This is accomplished by providing more funding to those doing the heavy lifting in this fight—the Coast Guard, the Customs Service, the Drug Enforcement Administration, and the Department of Defense.

What is needed is a focus on resources in a more comprehensive way to protect the entire southern frontier, not just the southwest border rather than south Florida, and vice versa. The previous pattern of shifting resources from one part of the country to another has achieved a degree of qualified success, but drug smugglers quickly recognize the weakness in the area deprived of assets, and they shift accord-

ingly. By providing improved funding levels, we will enhance our ability to establish a uniformed degree of coverage across the entire southern tier.

On June 22 of this year, I chaired a field hearing in Miami on behalf of the Senate Caucus on International Narcotics Control to examine the flow of drugs into the United States through the Caribbean into Florida. We held the hearing on the deck of a U.S. Coast Guard Medium Endurance Cutter called the Valiant; which had just returned from a seven week counternarcotics patrol in the Caribbean.

We selected the Coast Guard venue to underscore a number of very important facts which describe the United States' current strategy to fight the drug war. One of our principal interdiction forces—the United States Coast Guard—is conducting its mission on vessels such as the Valiant, a ship that is more than 30 years old, with an equally antiquated surface search radar. The Coast Guard needs new ships and newer radars. As I approached the Valiant, I noticed that there were a number of weapons systems on board, including two .50 caliber machine guns and a 25mm chain gun. These weapons reminded me that this effort is indeed a war. Despite the words of some officials who prefer not to characterize the effort as such, it is indeed. We are fighting a well-organized, financed, and determined enemy whose objective is to inundate our Nation with a chemical weapon which demeans, degrades, and defeats the most precious asset we have-our people. What more do we need to know to energize ourselves to fight back?

The individuals who testified at the field hearing painted a very disturbing picture. Consider the following facts:

The United States Southern Command cannot maintain adequate radar and airborne early warning coverage of the region or sustain the right number of tracker aircraft to perform its mission to provide counterdrug support to states in South American and the Caribbean.

The Joint Interagency Task Force East, located in Key West, Florida, does not know the extent of narcotics trafficking in the Eastern Pacific because the Department of Defense has not provided the necessary assets to conduct the required Detection & Monitoring mission.

The Coast Guard had to end a very successful counternarcotics operation in the Caribbean, OPERATION FRONTIER LANCE, because of a lack of federal funding.

The United States Customs Service is limited in its ability to capture drug runners in go-fast boats because of a lack of funds to procure newer and faster boats, as well as a lack of personnel to adequately maintain those currently in service due to lack of federal funding.

The Drug Enforcement Administration lacks sufficient special agents in the Caribbean, as well as accompanying administrative and intelligence personnel, because the DEA does not have sufficient funds to hire and retain these individuals.

If there is a trend underlying all these problems, it is the lack of federal funds being made available to those agencies responsible for performing the supply reduction component of the drug war. I am committed to seeing that more is done, and this legislation goes a long way towards achieving our goals. I look forward to hearing from our witnesses to get their ideas on how best to restore balance to our counternarcotics strategy. I believe we can make a difference in this war, and the time to make that difference is now

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PREPARED STATEMENT OF HENRY L. HINTON, JR.

Mr. Chairmen and Members of the Subcommittee and Caucus:

I am pleased to be here today to present our observations on the effectiveness of U.S. efforts to combat the movement of drugs into the United States. My statement discusses the (1) challenges of addressing international counternarcotics issues and (2) obstacles to implementing U.S. and host-nation drug control efforts. My testimony is primarily based on our recent reports concerning U.S. counternarcotics efforts in the Caribbean, Colombia, and Mexico.[1]

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[1] *Drug Control: U.S.-Mexican Counternarcotics Efforts Face Difficult Challenges* (GAO/NSIAD–98–154, June 30, 1998); *Drug Control: U.S. Counternarcotics Efforts in Colombia Face Continuing Challenges* (GAO/NSIAD–98–60, Feb. 12, 1998); *Drug Control: Update on U.S. Interdiction Efforts in the Caribbean and Eastern Pacific* (GAO/NSIAD–98–30, Oct. 15, 1997).

SUMMARY

Our work over the past 10 years indicates that there is no panacea for resolving all of the problems associated with illegal drug trafficking. Despite long-standing efforts and expenditures of billions of dollars, illegal drugs still flood the United States. Although U.S. and host-nation counternarcotics efforts have resulted in the arrest of major drug traffickers and the seizure of large amounts of drugs, they have not materially reduced the availability of drugs in the United States. A key reason for the lack of success of U.S. counternarcotics programs is that international drug-trafficking organizations have become sophisticated, multibillion-dollar industries that quickly adapt to new U.S. drug control efforts. As success is achieved in one area, the drug-trafficking organizations quickly change tactics, thwarting U.S. efforts.

Other significant, long-standing obstacles also impede U.S. and source and transit countries'[2] drug control efforts. In the drug-producing and transiting countries, counternarcotics efforts are constrained by corruption; limited law enforcement resources and institutional capabilities; and internal problems such as insurgencies and civil unrest. Moreover, drug traffickers are increasingly resourceful in corrupting the countries' institutions.

Some countries, with U.S. assistance, have taken steps to improve their capacity to reduce the flow of illegal drugs into the United States. Among other things, these countries have taken action to extradite criminals; enacted legislation to control organized crime, money laundering, and chemicals used in the production of illicit drugs; and instituted reforms to reduce corruption. While these actions represent positive steps, it is too early to determine their impact, and challenges remain.

U.S. counternarcotics efforts have also faced obstacles that limit their effectiveness. These include (1) organizational and operational limitations, and (2) planning and management problems. Over the years, we have reported on problems related to competing foreign policy priorities, poor operational planning and coordination, and inadequate oversight over U.S. counternarcotics assistance. We have also criticized ONDCP and U.S. agencies for not having good performance measures to evaluate results. Our work has identified ways to improve U.S. counternarcotics efforts through better planning, sharing of intelligence, and the development of measurable performance goals.

BACKGROUND

Illegal drug use, particularly of cocaine and heroin, continues to be a serious health problem in the United States. According to the Office of National Drug Control Policy (ONDCP), drug-related illness, death, and crime cost the nation approximately $67 billion annually. Over the past 10 years, the United States has spent over $19 billion on international drug control and interdiction efforts to reduce the supply of illegal drugs. ONDCP has established goals of reducing the availability of illicit drugs in the United States by 25 percent by 2002 and by 50 percent by 2007.

ONDCP is responsible for producing an annual National Drug Control Strategy and coordinating its implementation with other federal agencies. The 1998 National Drug Control Strategy includes five goals: (1) educate and enable America's youth to reject illegal drugs as well as alcohol and tobacco; (2) increase the safety of U.S. citizens by substantially lowering drug-related crime and violence; (3) reduce health and social costs to the public of illegal drug use; (4) shield America's air, land, and sea frontiers from the drug threat; and (5) break foreign and domestic drug supply sources. The last two goals are the primary emphasis of U.S. interdiction and international drug control efforts. These are focused on assisting the source and transiting nations in their efforts to reduce drug cultivation and trafficking, improve their capabilities and coordination, promote the development of policies and laws, support research and technology, and conduct other related initiatives. For fiscal year 1998, ONDCP estimated that about 13 percent of the $16 billion federal drug control budget would be devoted to interdiction and international drug control activities—in 1988, these activities represented about 24 percent of the $4.7 billion federal drug control budget.

ONDCP also has authority to review various agencies' funding levels to ensure they are sufficient to meet the goals of the national strategy, but it has no direct control over how these resources are used. The Departments of State and Defense and the Drug Enforcement Administration (DEA) are the principal agencies involved in implementing the international portion of the drug control strategy. Other

[2]The major source countries for cocaine are Bolivia, Colombia, and Peru. The major source nations for heroin in the Western Hemisphere are Colombia and Mexico. The major drug transit areas include Mexico, the Caribbean, the eastern Pacific, and Central America.

U.S. agencies involved in counternarcotics activities overseas include the U.S. Agency for International Development, the U.S. Coast Guard, the U.S. Customs Service, various U.S. intelligence organizations, and other U.S. agencies.

CHALLENGES IN STEMMING THE FLOW OF ILLEGAL DRUGS INTO THE UNITED STATES

Over the past 10 years, the U.S. agencies involved in counternarcotics efforts have attempted to reduce the supply and availability of illegal drugs in the United States through the implementation of successive drug control strategies. Despite some successes, cocaine, heroin, and other illegal drugs continue to be readily available in the United States.

According to ONDCP, the cocaine source countries had the potential of producing about 650 metric tons of cocaine in 1997. Of this amount, U.S. officials estimate that about 430 metric tons were destined for U.S. markets, with the remainder going to Europe and elsewhere. According to current estimates, about 57 percent of the cocaine entering the United States flows through Mexico and the Eastern Pacific, 33 percent flows through the Caribbean, and the remainder is moved directly into the United States from the source countries. According to ONDCP estimates, the U.S. demand for cocaine is approximately 300 metric tons per year.

According to DEA, Colombia was also the source of 52 percent of all heroin seized in the United States during 1996. The current U.S. demand for heroin is estimated to be approximately 10 metric tons per year.

DRUG-TRAFFICKING ORGANIZATIONS HAVE SUBSTANTIAL RESOURCES, CAPABILITIES, AND OPERATIONAL FLEXIBILITY

A primary challenge that U.S. and foreign governments' counternarcotics efforts face is the power, influence, adaptability, and capabilities of drug-trafficking organizations. Because of their enormous financial resources, power to corrupt counternarcotics personnel, and operational flexibility, drug-trafficking organizations are a formidable threat. Despite some short-term achievements by U.S. and foreign government law enforcement agencies in disrupting the flow of illegal drugs, drug-trafficking organizations have found ways to continue to meet the demand of U.S. drug consumers.

According to U.S. law enforcement agencies, drug-traffickers' organizations use their vast wealth to acquire and make use of expensive modern technology such as global positioning systems, cellular communications equipment and communications encryption devices. Through this technology, they can communicate and coordinate transportation as well as monitor and report on the activities of government organizations involved in counterdrug efforts. In some countries, the complexity and sophistication of drug traffickers' equipment exceed the capabilities of the foreign governments trying to stop them.

When confronted with threats to their activities, drug-trafficking organizations use a variety of techniques to quickly change their modes of operation, thus avoiding capture of their personnel and seizure of their illegal drugs. For example, when air interdiction efforts have proven successful, traffickers have increased their use of maritime and overland transportation routes.[3] According to recent U.S. government reports, even after the capture or killing of several drug cartel leaders in Colombia and Mexico, other leaders or organizations soon filled the void and adjusted their areas of operations. For example, we reported in February 1998 that, although the Colombian government had disrupted the activities of two major drug-trafficking organizations, the disruption had not reduced drug-trafficking activities, and a new generation of relatively young traffickers was emerging.[4]

OBSTACLES IN FOREIGN COUNTRIES IMPEDE COUNTERNARCOTICS EFFORTS

The United States is largely dependent on the countries that are the source of drug production and drug transiting points to reduce the amount of coca and opium poppy being cultivated and to make the drug seizures, arrests, and prosecutions necessary to stop the production and movement of illegal drugs. While the United States can provide assistance and support for drug control efforts in these countries, the success of those efforts depends on the countries' willingness and ability to combat the drug trade within their borders. Some countries, with U.S. assistance, have taken steps to improve their capacity to reduce the flow of drugs into the United States.

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[3] *Drug Control: Revised Drug Interdiction Approach Is Needed in Mexico* (GAO/NSIAD–93–152, May 10, 1993).

[4] *Drug Control* (GAO/NSIAD–98–60, Feb. 12, 1998).

Drug source and transiting countries face long-standing obstacles that limit the effectiveness of their drug control efforts. These obstacles, many of which are interrelated, include corruption; limited law enforcement resources and institutional capabilities; and insurgencies and internal unrest.

Corruption Permeates Institutions in Countries Involved in Drug Production and Movement

Narcotics-related corruption is a long-standing problem affecting U.S. and foreign governments' efforts to reduce drug-trafficking activities. Over the years, U.S. officials have identified widespread corruption problems in Bolivia, Colombia, Mexico, Peru, and the countries of Central America and the Caribbean—among the countries most significantly involved in the cultivation, production, and transit of illicit narcotics.

Our more recent reports have discussed corruption problems in the Caribbean, Colombia and Mexico.[5] For example, in October 1997, we reported that the State Department had identified narcotics-related corruption in various transit zone countries in the Caribbean, including Antigua, Aruba, Belize, Dominica, the Dominican Republic, Jamaica, St. Kitts, St. Vincent, and others.[6] We also reported that once the influence of drug trafficking becomes entrenched, corruption inevitably follows and democratic governments may be placed in jeopardy. In March 1998, the State Department reported that narcotics-related corruption problems continue in many Caribbean countries.

In June 1998, we reported that persistent corruption within Mexico continued to undermine both police and law enforcement operations.[7] Charged with corruption, many law enforcement officers had been arrested and dismissed. One of the most noteworthy arrests involved General José Gutierrez Rebollo—former head of the Mexican equivalent of DEA. In February 1997, he was charged with drug trafficking, organized crime and bribery, illicit enrichment, and association with one of the leading drug-trafficking organizations in Mexico.

Despite attempts by Mexico's Attorney General to combat corruption, it continues to impede counternarcotics efforts. For example, in February 1998, the U.S. embassy in Mexico City reported that three Mexican law enforcement officials who had successfully passed screening procedures were arrested for stealing seized cocaine—illustrating that corruption continues despite measures designed to root it out.

Inadequate Resources and Institutional Capabilities Limit Arrests and Convictions of Drug Traffickers

Effective law enforcement operations and adequate judicial and legislative tools are key to the success of efforts to stop the flow of drugs from the source and transiting countries. Although the United States can provide assistance, these countries must seize the illegal drugs and arrest, prosecute, and extradite the traffickers, when possible, in order to stop the production and movement of drugs internationally. However, as we have reported on several occasions, these countries lack the resources and capabilities necessary to stop drug-trafficking activities within their borders.

In 1994, we reported that Central American countries did not have the resources or institutional capability to combat drug trafficking and depended heavily on U.S. counternarcotics assistance.[8] Two years later, we said that equipment shortcomings and inadequately trained personnel limited the government of Mexico's ability to detect and interdict drugs and drug traffickers.[9] These problems still exist. For example, we reported in June 1998 that the Bilateral Border Task Forces, which were established to investigate and dismantle the most significant drug-trafficking organizations along the U.S.-Mexico border, face operational and support problems, including inadequate Mexican government funding for equipment, fuel, and salary supplements for personnel assigned to the units.[10]

Countries in the Caribbean also have limited drug interdiction capabilities. For example, we reported in October 1997 that many Caribbean countries continue to be hampered by inadequate counternarcotics capabilities and have insufficient re-

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[5] *Drug War: Observations on the U.S. International Drug Control Strategy* (GAO/T–NSIAD–95–182, June 27, 1995); *Drug Control: Counternarcotics Efforts in Mexico* (GAO/NSIAD–96–163, June 12, 1996); *Drug Control* (GAO/NSIAD–98–30, Oct. 15, 1997); *Drug Control* (GAO/NSIAD–98–60, Feb. 12, 1998; and *Drug Control* GAO/NSIAD–98–154, June 30, 1998).

[6] *Drug Control* (GAO/NSIAD–98–30, Oct. 15, 1997).

[7] *Drug Control* (GAO/NSIAD–98–154, June 30, 1998).

[8] *Drug Control: U.S. Counterdrug Activities in Central America* (GAO/NSIAD–94–233, Aug. 2, 1994).

[9] *Drug Control* (GAO/NSIAD–96–163, June 12, 1996).

[10] *Drug Control* (GAO/NSIAD–98–154, June 30, 1998).

sources for conducting law enforcement activities in their coastal waters.[11] We reported that St. Martin had the most assets for anti-drug activities, with three cutters, eight patrol boats, and two fixed-wing aircraft, whereas other Caribbean countries had much less.

Insurgency and Civil Unrest Limit Counternarcotics Efforts

Over the years, our reports have indicated that internal strife in Peru and Colombia have limited counternarcotics efforts in these countries. In 1991, we reported that counternarcotics efforts in Peru were significantly hampered because of the threat posed by two insurgent groups.[12] Currently, Colombia's counternarcotics efforts are also hindered by insurgent and paramilitary activities. In 1998, we reported that several guerrilla groups made it difficult to conduct effective antidrug operations in many areas of Colombia.[13] Since our report, the situation has worsened. For example, during this past summer the insurgents overran a major police base that was used as a staging area for aerial eradication efforts.

EFFORTS TO IMPROVE COUNTERNARCOTICS CAPABILITIES

Some countries, with U.S. assistance, have taken steps to improve their capacity to reduce the flow of illegal drugs into the United States. For example, in June 1998, we reported that Mexico had taken efforts to (1) increase the eradication and seizure of illegal drugs, (2) enhance counternarcotics cooperation with the United States, (3) initiate efforts to extradite Mexican criminals to the United States, (4) pass new laws on organized crime, money laundering, and chemical control, (5) institute reforms in law enforcement agencies, and (6) expand the role of the military in counternarcotics activities to reduce corruption.[14] Many of these initiatives are new, and some have not been fully implemented.

Colombia has also made progress in making efforts to improve its counternarcotics capabilities. In February 1998, we reported that Colombia had passed various laws to assist counternarcotics activities, including money laundering and asset forfeiture laws, reinstated extradition of Colombian nationals to the United States in November 1997, and signed a maritime agreement.[15]

OBSTACLES INHIBIT SUCCESS IN FULFILLING U.S. COUNTERNARCOTICS EFFORTS

Our work over the past 10 years has identified obstacles to implementing U.S. counternarcotics efforts, including (1) organizational and operational limitations, and (2) planning and management problems. Over the years, we have criticized ONDCP and U.S. agencies involved in counternarcotics activities for not having good performance measures to help evaluate program results. Efforts to develop such measures are currently underway.

Organizational and Operational Limitations

The United States faces several organizational and operational challenges that limit its ability to implement effective antidrug efforts. Many of these challenges are long-standing. Several of our reports have identified problems involving competing priorities, interagency rivalries, lack of operational coordination, inadequate staffing of joint interagency task forces, lack of oversight, and lack of knowledge about past counternarcotics operations and activities.

For example, our 1995 work in Colombia indicated that there was confusion among U.S. embassy officials about the role of the offices involved in intelligence analysis and related operational plans for interdiction.[16] In 1996 and 1997, we reported that several agencies, including the U.S. Customs Service, DEA, and the Federal Bureau of Investigation, had not provided personnel, as they had agreed, to the Joint Interagency Task Force in Key West because of budgetary constraints.[17]

In October 1997, we reported that according to U.S. officials, the small amount of aircraft and maritime assets hindered U.S. interdiction efforts in the Eastern Pacific and that their ability to interdict commercial and noncommercial fishing vessels

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[11] *Drug Control* (GAO/NSIAD–98–30, Oct. 15, 1997).
[12] *The Drug War: U.S. Programs in Peru Face Serious Obstacles* (GAO/NSIAD–92–36, Oct. 21, 1991).
[13] *Drug Control* (GAO/NSIAD–98–60, Feb. 12, 1998).
[14] *Drug Control* (GAO/NSIAD–98–154, June 30, 1998).
[15] *Drug Control* (GAO/NSIAD–98–60, Feb.12, 1998).
[16] *Drug War* (GAO/T–NSIAD–95–182, June 27, 1995).
[17] *Drug Control* (GAO/NSIAD–98–30, Oct. 15, 1997) and *Drug Control: U.S. Interdiction Efforts in the Caribbean Decline* (GAO/NSIAD–96–119, Apr. 17, 1996).

was limited.[18] We also reported in 1993 and 1997 that reduced radar capability was limiting operational successes in this region.[19]

We also reported on instances where lessons learned from past counternarcotics efforts were not known to current planners and operators, both internally in an agency and within the U.S. antidrug community.[20] For example, in the early 1990's the United States initiated an operation to support Colombia and Peru in their efforts to curtail the air movement of coca products between the two countries. However, U.S. Southern Command personnel stated in 1996 that while they were generally aware of the previous operation, they were neither aware of the problems that had been encountered nor of the solutions developed in the early 1990s. U.S. Southern Command officials attributed this problem to the continual turnover of personnel and the requirement to destroy most classified documents and reports after 5 years. These officials stated that an after-action reporting system for counternarcotics activities is now in place at the U.S. Southern Command.

We have also reported that a key component of the U.S. operational strategy is having reliable and adequate intelligence to help plan interdiction operations. Having timely intelligence on trafficking activities is important because traffickers frequently change their operational patterns and increasingly use more sophisticated communications, making it more difficult to detect their modes of operations.[21] ONDCP is in the process of reviewing U.S. counternarcotics intelligence efforts.

Planning and Management Limitations

Over the years, our reviews of U.S. counternarcotics efforts have indicated planning and management limitations to U.S. counternarcotics efforts. Our recent reports on Colombia and Mexico have shown that the delivery of U.S. counternarcotics assistance was poorly planned and coordinated.

In February 1998, we reported that the State Department did not take adequate steps to ensure that equipment included in a 1996 $40-million Department of Defense assistance package could be integrated into the U.S. embassy's plans and strategies to support the Colombian police and military forces.[22] As a result, the assistance package contained items that had limited immediate usefulness to the Colombian police and military and will require substantial additional funding before the equipment can become operational.

We reported a similar situation in Mexico. In June 1998, we noted that key elements of the Defense Department's counternarcotics assistance package were of limited usefulness or could have been better planned and coordinated by U.S. and Mexican officials.[23] For example, we reported that the Mexican military was not using the four C–26 aircraft provided by the United States because there was no clearly identified requirement for the aircraft and the Mexican military lacked the funds needed to operate and maintain the aircraft. In addition, inadequate coordination between the U.S. Navy and other Defense Department agencies resulted in the transfer of two Knox-class frigates to the Mexican Navy that were not properly outfitted and are currently inoperable. Further, Mexican Navy personnel were trained in the frigates' operation, but these personnel may not be fully utilized until the two frigates are activated.

Our work has also shown that, in some cases, the United States did not adequately control the use of U.S. counternarcotics assistance and was unable to ensure that it was used as intended. Despite legislative requirements mandating controls over U.S.-provided assistance, we found instances of inadequate oversight of counternarcotics funds. For example, between 1991 and 1994, we issued four reports in which we concluded that U.S. officials lacked sufficient oversight of aid to ensure that it was being used effectively and as intended in Peru and Colombia.[24] We also reported that the government of Mexico had misused U.S.-provided counternarcotics

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[18] *Drug Control* (GAO/NSIAD–98–30, Oct. 15, 1997).

[19] *Drug Control* (GAO/NSIAD–93–152, May 10, 1993) and *Drug Control* (GAO/NSIAD–98–30, Oct. 15, 1997).

[20] *Drug Control: Long-Standing Problems Hinder U.S. International Efforts* GAO/NSIAD–97–75, Feb. 27, 1997).

[21] *Drug Control* (GAO/NSIAD–97–75, Feb. 27, 1997).

[22] *Drug Control* (GAO/NSIAD–98–60, Feb. 12, 1998).

[23] *Drug Control* (GAO/NSIAD–98–1 54, June 30, 1998).

[24] *The Drug War: Colombia Is Undertaking Antidrug Programs, But Impact Is Uncertain* (GAO/NSIAD–93–158, Aug. 10, 1993); *The Drug War: Observations on Counternarcotics Programs in Colombia and Peru* (GAOT–NSIAD–92–2, Oct. 23, 1991); *Drug War* (GAO/NSIAD–92–36, Oct. 21, 1991); and *Drug War: Observations on Counternarcotics Aid to Colombia* (GAO/NSIAD–91–296, Sept. 30, 1991).

helicopters to transport Mexican military personnel during the 1994 uprising in the Mexican state of Chiapas.[25]

Our recent work in Mexico indicated that oversight and accountability of counternarcotics assistance continues to be a problem. We found that embassy records on UH–1H helicopter usage for the civilian law enforcement agencies were incomplete. Additionally, we found that the U.S. military's ability to provide adequate oversight is limited by the end-use monitoring agreement signed by the governments of the United States and Mexico.

Importance of Measuring Performance

We have been reporting since 1988 that judging U.S. agencies' performance in reducing the supply of and interdicting illegal drugs is difficult because the agencies have not established meaningful measures to evaluate their contribution to achieving the goals contained in the National Drug Control Strategy.

In February 1998, ON DCP issued its annual National Drug Control Strategy, establishing a 10-year goal of reducing illicit drug availability and use by 50-percent by 2007. In March 1998, ONDCP established specific performance effectiveness measures to evaluate progress in meeting the strategy's goals and objectives. While we have not reviewed the performance measures in detail, we believe they represent a positive step to help gauge the progress in attaining the goals and objectives.

WAYS TO IMPROVE THE EFFECTIVENESS OF U.S. COUNTERNARCOTICS EFFORTS

We recognize that there is no easy remedy for overcoming all of the obstacles posed by drug-trafficking activities. International drug control efforts aimed at stopping the production of illegal drugs and drug-related activities in the source and transit countries are only one element of an overall national drug control strategy. Alone, these efforts will not likely solve the U.S. drug problem. Overcoming many of the long-standing obstacles to reducing the supply of illegal drugs requires a long-term commitment. Over the years, we have recommended ways in which the United States could improve the effectiveness of the planning and implementation of its current counternarcotics efforts. These recommendations include (1) developing measurable goals, (2) making better use of intelligence and technologies and increasing intelligence efforts, (3) developing a centralized system for recording and disseminating lessons learned by various agencies while conducting law enforcement operations, and (4) better planning of counternarcotics assistance.

Mr. Chairmen, this concludes my prepared testimony. I would be happy to respond to any questions.

PREPARED STATEMENT OF ADMIRAL JAMES M. LOY, USCG

Good morning, Mr. Chairman Grassley, Chairman Coverdell, and distinguished Committee and Caucus members. It is a pleasure to appear before you today to comment on Coast Guard drug interdiction and the proposed Western Hemisphere Drug Elimination Act.

I applaud the Act's goal of strengthening our Nation's counterdrug effort. This legislation recognizes that the security of our maritime borders is a critical component of a balanced national strategy to reduce drug use and its destructive consequences. The National Drug Control Strategy's supply reduction target looks to reduce drug availability in the United States 25 percent by 2002, and 50 percent by 2007 as compared to a 1996 base year. The Coast Guard has developed a comprehensive maritime interdiction strategy, Campaign STEEL WEB, designed to meet the Coast Guard's portion of these national goals. This Coast Guard strategy is supported by a 5-year drug control budget that is submitted to the Office of Drug Control Policy (ONDCP) annually as required by law. Fully implementing this strategy will require that adequate resources be provided over the next several years. This Coast Guard strategy is supported by a 5-year drug control budget that is submitted to the Office of National Drug Control Policy (ONDCP) annually as required by law. The Western Hemisphere Drug Elimination Act includes many policy initiatives and budget authorities that could be used to increase counterdrug performance. In many instances, the Act does address valid Coast Guard requirements and identifies the types of capabilities required to implement STEEL WEB. However, I do have serious concerns with the legislation as currently drafted. While this bill authorizes funding

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[25] *Drug Control* (GAO/NSIAD–96–163, June 12, 1996).

This bill's authorization levels for increased Coast Guard counterdrug operations in fiscal years 1999, 2000, and 2001, are inconsistent with the President's budget. First and foremost the Coast Guard must be able to maintain current services for all mission areas in fiscal year 1999 as requested by the President. As a 3-year authorization, this legislation could result in outyear funding risks. Without adequate outyear funding, I will not be able to operate additional assets or to sustain the operational increases for assets now in the Coast Guard inventory. I am also concerned, from a personnel management perspective, about the potential for a relatively large increase in work force strength that may only be authorized for 3 years.

I am also concerned about the executability cost effectiveness of some items specified in the Act. For example, any decision to build new cutters should be made in the context of the Deepwater Capability Replacement Project, which is currently in the planning phase. Through the Deepwater process, we will determine the most cost-effective new construction of cutters would require long lead-time and significant personnel increases.way to meet future Coast Guard mission requirements beyond 50 miles from shore. It may be the case, for example, that converting retired Navy vessels is more sensible than building new cutters. Additionally, the goal to reduce the flow of drugs into the United States 80 percent by the end of 2001 is overly optimistic and is not achievable.

Finally, we face significant source and Transit Zone interdiction challenges. The Act does not include some key resources proposed in the President's 1999 Budget that would be necessary to meet these challenges. For example, the Act does not address increased intelligence collection and support or the deployable logistics required to support expeditionary pulse operations, capabilities that are critical to interdiction success and can reduce the need for expensive, single-mission assets.

The task of maintaining a comprehensive overview of activity and sorting targets of interest from legitimate air and surface traffic is daunting. Equally difficult is the logistical challenge of supporting our forces in such an expansive theater of operations, particularly in the Eastern Pacific. As previously stated, Campaign STEEL WEB is the Coast Guard's multiyear plan to position the requisite interdiction forces where they best counter the ever-evolving drug trafficking threats. The strategic concept is to deny drug smugglers access to maritime routes by a sequence of operations in which interdiction forces are concentrated in high-threat areas of the Caribbean and Eastern Pacific to significantly disrupt drug traffic. Coast Guard operations in these high threat areas complement and support Joint Interagency Task Force (JIATF) East and JIATF West operations. Once a credible law enforcement presence is established, interdiction forces will be redeployed to other high-threat areas, leaving an enhanced presence to deter and interdict subsequent smuggling. Ultimately, successful pulse operations in each high-threat area will systematically reduce drug flow through the Transit Zone. This concept was successfully demonstrated during the Coast Guard's Operation FRONTIER SHIELD.

In addition, STEEL WEB is focused on strengthening ties with source and transit zone nations to increase their capacities to reduce internal production and trafficking, and supports interagency efforts to combat drug smuggling. Continued success of Campaign STEEL WEB requires resource investments and the flexibility to employ resources where they can have the most impact.

The Coast Guard received a $34.3 million increase in budget authority for fiscal year 1998, an investment in the long-term campaign to satisfy obligations under the National Drug Control Strategy. Fiscal year 1998 drug funding has allowed the Coast Guard to institutionalize FRONTIER SHIELD, and continue Operations GULF SHIELD and BORDER SHIELD to anchor the flanks of the Southwest Border.

The fiscal year 1999 budget request includes operating expenses and capital investments necessary to maintain the current law enforcement presence in the transit and arrival zones. As long as more than 400 metric tons of cocaine are moving through the Transit Zone each year, the value of, and necessity for, agile interdiction forces is undeniable.

The Coast Guard shields America's sea frontiers from a broad spectrum of threats and challenges, with the scourge of drugs being perhaps the most visible right now. The need for effective control of America's seaward borders, territorial sea, and Exclusive Economic Zone extends well beyond the drug threat and will become even more essential in the first decades of the 21st century.

Future threats to U.S. security interests will be even more varied than they are today. The dangers we face are unprecedented in their complexity. Terrorism, drugs, illegal migrants, organized crime, and proliferation of weapons of mass destruction are global concerns that transcend national borders, and environmental damage and

rapid population growth undermine economic prosperity and political stability in many countries.

Since these challenges to America's maritime security are not strictly military in nature, they underscore the importance, relevance, and vitality of the Coast Guard's law enforcement role—a core competency developed during more than 200 years of service to America—and a core competency that addresses more than drug interdiction.

The multimission Coast Guard has traditionally provided a high rate of return to the public. In fiscal year 1997, overall interdiction efforts resulted in a record year for Coast Guard drug seizures. The Coast Guard seized (or assisted in the seizure of) 103,617 pounds of cocaine and 102,538 pounds of marijuana products. Cocaine seizures easily surpassed the previous record set in 1991—90,335 pounds.

Through effective interdiction efforts last year, the Coast Guard kept more than 468 million cocaine "hits" and 100 million marijuana "joints" off our streets, preventing those drugs from poisoning schools and destroying homes. The estimated street value of these seizures is more than $4.2 billion—$1 billion more than the Coast Guard's entire 1997 discretionary budget.

In order to meet future drug interdiction obligations, the Coast Guard will need the full support of Congress for its budget requests. As Commandant, however, I have a responsibility to effectively perform the Coast Guard's many other mission requirements, such as protection of fisheries stocks and the marine environment. To do this, the Coast Guard must at least be funded at current services level through annual appropriations.receive the funding levels requested by the President for these programs.

As we approach the 21st century, many of our existing assets are nearing the end of their service lives. Loss of capability and increased operational costs concern us greatly, as the threats we must counter are becoming increasingly more sophisticated and capable. In short, our ability to remain *Semper Paratus*—Always Ready—to carry out our many missions is a major Coast Guard concern. We are taking the necessary steps through our Roles and Missions Review and Deepwater Capability Analysis to address these concerns. We must be ready to meet tomorrow's challenges.

In closing, I would like to recognize your leadership and commitment to strengthening the national counterdrug effort. As America moves into the next century, the Coast Guard stands ready to meet our responsibilities in this important effort. Thank you for the opportunity to discuss Coast Guard drug interdiction concerns. I will be happy to answer any questions you may have.

PREPARED STATEMENT OF DONNIE R. MARSHALL

Chairman Coverdell, Chairman Grassley, and members of the Subcommittee and the caucus: I appreciate the opportunity to appear today at this hearing on the Western Hemisphere Drug Elimination Act, which makes a number of proposals intended to increase funding for interdiction and interdiction- related activities. My testimony will provide you with an objective assessment of the law enforcement issues involving international organized criminal groups, drug trafficking problems associated with these groups, and how DEA participates in drug interdiction. During my testimony, I will attempt to provide the members with a full picture of how organized crime groups operate, harming so many aspects of life in America today, and how the DEA takes action to counter these groups.

Interdiction, in its narrow sense, physically stopping drugs moving through the transit zone, across international borders, and into the United States—is more properly the responsibility of the other agencies testifying here today. DEA's primary mission is to target the highest levels of the international drug trafficking organizations operating today. It is through targeting the command and control elements of international drug syndicates that DEA makes its major contribution to the overall interdiction effort. Moreover, DEA makes significant contributions to drug interdiction with its law enforcement efforts within the United States. I will, therefore, discuss in some detail DEA's role in the interdiction of drugs both overseas and domestically and how those efforts interface and contribute in our joint efforts to counter these organize crime groups.

INTERNATIONAL ORGANIZED CRIME

It is important to demonstrate at the outset why the threat posed by international drug syndicates is so ominous. The United States must be able to attack the command and control functions of the international syndicates which are directing the flow of drugs into this country. Focusing the attention of law enforcement on the

criminals who direct these organizations is the key to combating international drug trafficking. DEA directs its resources against the leaders of these criminal organizations, seeking to have them located, arrested, prosecuted, and given sentences commensurate with the heinous nature of their crimes.

Many phrases have been used to describe the complex and sophisticated international drug trafficking groups operating out of Colombia and Mexico, and frankly, the somewhat respectable titles of "cartel" or "federation" mask the true identity of these vicious, destructive entities. The Cali organization, and the four largest drug trafficking organizations in Mexico operating out of Juarez, Tijuana, Sonora, and the Gulf region—are simply organized crime groups. They are not legitimate businessmen as the word "cartel" implies, nor are they "federated" into a legitimate conglomerate. These syndicate leaders—the Rodriguez Orejuela brothers in Colombia to Amado Carrillo-Fuentes, Juan Garcia-Abrego, Miguel Caro-Quintero, and the Arellano-Felix brothers—are simply the 1990's versions of the mob leaders U.S. law enforcement has fought since shortly after the turn of this century.

International organized crime leaders are far more dangerous, far more influential and have a greater impact on our day-to-day lives than did their domestic predecessors. While organized crime in the United States during the 1950's through the 1970's affected certain aspects of American life, its influence pales in comparison to the violence, corruption, and power that today's drug syndicates wield. These individuals, from their headquarters locations, undeniably influence the choices that too many Americans make about where to live, when to venture out of their homes, or where they send their children to school. The drugs—and the attendant violence which accompanies the drug trade—have reached into every American community and have robbed many Americans of the dreams they once cherished.

Organized crime in the United States was addressed over time, but only after Americans recognized the dangers that organized crime posed to our way of life. But it did not happen overnight. American organized crime was exposed to the light of day systematically, stripping away the pretense that mob leaders were anonymous businessmen. The Appalachian raid of 1957 forced law enforcement to acknowledge that these organized syndicates did indeed exist. As a result, strong measures were taken to go after the top leadership, a strategy used effectively throughout our national campaign against the mob. During the 1960's, Attorney General Bobby Kennedy was unequivocal in his approach to ending the reign of organized crime in America, and consistent law enforcement policies were enacted which resulted in real gains. Today, traditional organized crime, as we knew it in the United States, has been eviscerated, a fragment of what it once was.

At the height of its power, organized crime in this nation was consolidated in the hands of few major families whose key players live in this nation, and were within reach of our criminal justice system. All decisions made by organized crime were made within the United States. Orders were carried out on U.S. soil. While it was not easy to build cases against the mob leaders, law enforcement knew that once a good case was made against a boss, he could be located within the U.S., arrested, and sent to jail.

That is not the case with today's organized criminal groups. They are strong, sophisticated, and destructive organizations operating on a global scale. In places like Cali, Colombia, and Guadalajara, Mexico, even operational decisions are made, such as where to ship cocaine, which cars their workers in the United States should rent, which apartments should be leased, which markings should be on each cocaine package, which contract murders should be ordered, which officials should be bribed, and how much. They send thousands of workers into the United States who answer to them via daily faxes, cellular phone, or pagers. Their surrogates carry out killings even within the United States—one day an outspoken journalist, one day a courier who had lost a load, the next, an innocent bystander caught in the line of fire—on orders from the top leadership. These syndicate bosses have at their disposal airplanes, boats, vehicles, radar, communications equipment, and weapons in quantities which rival the capabilities of some legitimate governments. Whereas previous organized crime leaders were millionaires, the Cali drug traffickers and their counterparts from Mexico are billionaires. They must be located, arrested, prosecuted, and given sentences commensurate with the heinous nature of their crimes.

The international drug syndicates who control drug trafficking today from the source zone, through the transit zones in the Caribbean and through Mexico, and into the United States, are interconnected. We cannot discuss the trafficking situation today without looking at the evolution of the groups from Colombia—how they began, what their status is today, and how the groups from Mexico have learned important lessons from them, thereby becoming major trafficking organizations in their own right.

During the late 1980's the Cali group assumed greater and greater power as their predecessors from the Medellin cartel self-destructed. Where the Medellin cartel was brash and publicly violent in their activities, the criminals, who ran their organization from Cali, labored behind the pretense of legitimacy, by posing as businessmen carrying out their professional obligations. The Cali leaders—the Rodriguez Orejuela brothers, Jose Santacruz Londono, Helmer "Pacho" Herrera-Buitrago—amassed fortunes and ran their multi-billion dollar cocaine businesses from high-rises and ranches in Colombia. Miguel Rodriguez Orejuela and his associates composed what was, until then, the most powerful international organized crime group in history. They employed 727 aircraft to ferry drugs to Mexico, from where they were smuggled into the United States, and then return to Colombia with the money from U.S. drug sales. Using landing areas in Mexico, they were able to evade U.S. law enforcement officials and make important alliances with transportation and distribution experts in Mexico.

With intense law enforcement pressure focused on the Cali leadership by the brave men and women in the Colombian National Police during 1995 and 1996, all of the top leadership of the Cali syndicate are either in jail, or dead. Since the Cali leaders' imprisonment, on sentences that in no way matched the severity of their crimes, traffickers from Mexico took on greater prominence. The alliance between the Colombian traffickers and the organizations from Mexico benefited for both sides. Traditionally, the traffickers from Mexico have long been involved in smuggling marijuana, heroin, and cocaine into the United States, and had established solid distribution routes throughout the nation. Because the Cali syndicate was concerned about the security of their loads, they brokered a commercial deal with the traffickers from Mexico, in order to reduce their potential losses.

This agreement entailed the Colombians moving cocaine from the Andean region to the Mexican organizations, who then assumed the responsibility of delivering the cocaine to the United States. Now, trafficking groups from Mexico are routinely paid for their services in multi-ton quantities of cocaine, making them formidable cocaine traffickers in their own right.

DRUGS AT THE SOURCE

The international drug syndicates discussed above control both the sources and the flow of drugs into the United States. The vast majority of the cocaine entering the United States continues to come from the source countries of Colombia, Bolivia, and Peru. According to DEA's Heroin Signature Program, which provides a chemical analysis of domestic heroin seizures and purchases to determine the geographic sources of origin, South American heroin comprised 75 percent of all heroin seized in the United States in 1997. Virtually all of the six metric tons of heroin produced in Colombia in 1997 was destined for the U.S. market. For nearly two decades, crime groups from Colombia have ruled the drug trade with an iron fist, exponentially increasing their profit margin by controlling the entire continuum of the cocaine market. Their control ranged from the coca leaf production in Peru, Bolivia, and Colombia, to the cocaine hydrochloride (HCl) production and processing centers in Colombia, to the wholesale distribution of cocaine on the streets of the United States.

Colombian traffickers continue to dominate the movement of cocaine from the jungles of Bolivia and Peru to the large cocaine HCl conversion laboratories in Southern Colombia. An estimated twenty-two percent of the world's coca leaf is grown in Colombia and the vast majority of the cocaine base and cocaine HCl is produced in these laboratories throughout Colombia. Many of these activities take place in the southern rain forests and eastern lowlands of Colombia. Most of the coca cultivation in Colombia occurs in the Departments of Guaviare, Caqueta, and Putumayo. Also, cultivation occurs in areas of high insurgency that are effectively beyond the control of the Colombian Government. Cocaine conversion laboratories range from smaller "family" operations to much larger facilities, employing dozens of workers. Once the cocaine HCl is manufactured, it is either shipped via maritime or aircraft to traffickers in Mexico, or shipped through the Caribbean corridor, including the Bahamas Island Chain, to U.S. entry points in Puerto Rico, Miami, and New York.

DRUGS IN TRANSIT

Over half of the cocaine entering the United States continues to come from Colombia through Mexico and across U.S. border points of entry. Most of the cocaine enters the United States in privately-owned vehicles and commercial trucks. There is new evidence that indicates traffickers in Mexico have gone directly to sources of cocaine in Bolivia and Peru in order to circumvent Colombian middlemen. In addition to the supply of cocaine entering the U.S., trafficking organizations from Mexico

are responsible for producing and trafficking thousands of pounds of methamphetamine. They have been major distributors of heroin and marijuana in the U.S. since the 1970's.

Drug trafficking in the Caribbean is overwhelmingly influenced by Colombian organized criminal groups. The Caribbean had long been a favorite smuggling route used by the Cali and Medellin crime groups to smuggle thousands of tons of cocaine to the United States. During the late 1970's and the 1980's, drug lords from Medellin and Cali, Colombia established a labyrinth of smuggling routes throughout the central Caribbean, including Haiti, the Dominican Republic and the Bahamian Island chain to South Florida, using a variety of smuggling techniques to transfer their cocaine to U.S. markets. Smuggling scenarios included airdrops of 500–700 kilograms in the Bahamian Island chain and off the coast of Puerto Rico, mid-ocean boat-to-boat transfers of 500 to 2,000 kilograms, and the commercial shipment of multi-tons of cocaine through the port of Miami.

Our focus on the Calli organization's command and control functions in the U.S. enabled us to build formidable cases against the Cali leaders, which allowed our Colombian counterparts to accomplish the almost unimaginable—the arrest and incarceration of the entire infrastructure of the most powerful crime group in history. Although Miguel Rodriguez Orejuela and his confederates continue to direct a portion of their operations from prison they are no longer able to maintain control over this once monolithic giant. Now, independent groups of traffickers from the Northern Valle dal Cauca, and splinter groups from the Cali syndicate have risen to prominence and are responsible for huge volumes of cocaine and heroin being shipped to the United States through the Caribbean. These groups, who have replaced the highly structured, centrally controlled business operations of the Cali group, tend to be smaller and less organized, however, they continue to rely on fear and violence to expand and control their trafficking empires.

DEA has identified four major organizations based on the northern coast of Colombia that have deployed command and control cells in the Caribbean Basin to funnel tons of cocaine to the United States each year. Colombian managers, who have been dispatched to Puerto Rico and the Dominican Republic, operate these command and control centers and are responsible for overseeing drug trafficking in the region. These groups are also directing networks of transporters that oversee the importation, storage, exportation, and wholesale distribution of cocaine destined for the continental United States.

DRUG TRAFFICKING ORGANIZATIONS IN THE U.S.

However powerful these international organizations appear to be, the very feature of their operations which makes them most formidable—the ability to exercise effective command and control over a far flung criminal enterprise—is the feature that law enforcement can use against them, turning their strength into a weakness. The communications structure of international organized crime operating in the United States is, therefore, the prime target for drug law enforcement. Information on drug flows developed during investigations of these organizations, which mostly take place in the United States, underscores the seamless nature of the continuum of international drug trafficking from foreign sources to markets in the United States.

The organizational structures we target resemble those set up by the Colombians in the 1980s. The Colombians organized their cocaine trafficking groups in the U.S. organized around "cells" that operate within a given geographic area. Some cells specialize in a particular facet of the drug trade, such as cocaine transport, storage, wholesale distribution, or money laundering. Each cell, which may be comprised of 10 or more employees, operates with little or no knowledge about the membership in, or drug operations of, other cells.

The head of each cell reports to a regional director who is responsible for the overall management of several cells. The regional director, in turn, reports directly to one of the drug lords heads of a particular organization or heir designate based in Colombia. A rigid top down command and control structure is characteristic of these groups. Trusted lieutenants of the organization in the U.S. have discretion in the day-to-day operations, but ultimate authority rests with the leadership abroad.

Upper echelon and management levels of these cells are frequently comprised of family members or long-time close associates who can be trusted by the drug lords to handle their day-to-day drug operations in the United States. They report back via cell phone, fax and other sophisticated communications methods. Drug traffickers continually employ a wide variety of counter-surveillance techniques and other tactics, such as staging fake drug transactions, using telephones they suspect are monitored, limited-time use of cloned cellular telephones (frequently a week or less), limited-time use of pagers (from 2 to 4 weeks), and the use of calling cards. Orga-

nized crime groups continue to show an active interest in acquiring secure communications capabilities. The communication systems which make the top-down command and control of these organizations possible is the exact target for both intelligence analysis and law enforcement operations against the organizations, working hand in hand with interdiction efforts.

A HEMISPHERIC RESPONSE

DEA's role in countering the threat posed to the American way of life by these international drug trafficking organizations has been, and will continue to be to target the most significant drug traffickers and their organizations. It is in this area that we make our contribution to interdicting the flow of drugs into the United States. Naturally, we cooperate fully with other elements of the United States government and foreign authorities, that are directly involved in physically interdicting smuggled drugs and in eradicating drugs at the source.

Our law enforcement experience shows us that, over time, the United States has been able to effectively counter organized crime, both domestic and foreign, by attacking the command and control systems of the syndicates through the use of court approved intercepts. Successful investigations against the leaders of international drug trafficking groups most often originate from investigations being conducted in the United States. Through what was originally designated our Southwest Border Initiative, has become a strategy employed throughout the hemisphere, DEA and our counterparts direct their resources against the communications systems of the command and control functions of the organized crime groups in both the Caribbean and South America.

The Continuum of Domestic Investigations and International Drug Trafficking

Some of our efforts within this Hemispheric response point to the connection between domestic law enforcement in the United States and the problems posed by drug trafficking organizations in Mexico. Operations RECIPROCITY and LIMELIGHT, are two examples of inter-agency investigations which clearly prove the interrelation between high level traffickers headquartered in Mexico and their organizations in many U.S. cities. The Amado Carrillo-Fuentes organization was deeply involved in a sophisticated drug operation that stretched from Mexico to New York, Chicago, Grand Rapids, Tucson, and other parts of the U.S. At one point, several independent and seemingly unrelated investigations were being conducted in Texas, Arizona, Illinois, Michigan, and New York. Eventually these separate cases were combined under the umbrella investigations known as RECIPROCITY and LIMELIGHT.

These operations show, as do most of our investigations, that arresting the leaders of international organized crime rings often ultimately begins with a seemingly routine event in the United States. For example, two troopers from the Texas Department of Public Safety stopped a van with New York plates on Interstate 30. They became suspicious when they learned that one man was from New York while the other was from El Paso, and they were not well acquainted. Neither man owned the van and their stories conflicted regarding where they were going and where they had been. The troopers found 99 bundles of money hidden in the vehicle's walls.

It took three hours to count the $1.3 million they had found. As the officers continued their search, they discovered another $700,000, bringing the total to $2 million. On December 3, 1996, after receiving an anonymous call, the Tucson Police Department and drug task force officers raided a warehouse containing 5.3 tons of cocaine. On December 13, 1996, the same Texas troopers stopped a northbound tractor trailer and seized 2,700 pounds of marijuana. Follow-up investigation connected this interdiction to their previous seizure of money, to the cocaine warehouse in Tucson, and to ongoing investigations in Texas, Arizona, Illinois, Michigan, and New York.

All of these investigations provided our Special Agents and federal prosecutors with the key to investigating the operations of the Amado Carrillo-Fuentes organization. This powerful Mexican syndicate was apparently using U.S. trucks and employees to transport huge amounts of cocaine to various U.S. destinations. The resulting investigation, Operation LIMELIGHT, secured 40 arrests, the seizure of $11 million in cash, 7.4 tons of cocaine and 2,700 pounds of marijuana.

A parallel investigation, Operation RECIPROCITY, resulted in the seizure of more than 4,000 kilos of cocaine, almost 11,000 pounds of marijuana, over $7 million in cash, and 48 arrests. RECIPROCITY showed that just one Juarez-based organized crime cell shipped over 30 tons of cocaine into American communities and returned over $100 million in profits to Mexico in less than two years. Distribution of multi-ton quantities of cocaine, once dominated by the Cali-based drug traffickers, was now controlled from Mexico in cities such as Chicago, Dallas, Denver, Houston, Los Angeles, Phoenix, San Diego, San Francisco, and Seattle. The Carrillo-Fuentes

organization was also beginning to make inroads into the distribution of cocaine in the East Coast, particularly New York City, the traditional stronghold of the Cali drug cartel.

These operations support the point that the Mexican transportation groups have added the United States East Coast to their sphere of influence and now deliver cocaine directly to New York City and other East coast markets. This role was once reserved for traffickers from Colombia and the Dominican Republic. These two operations show that law enforcement can strike major blows against foreign drug syndicates through the combination of interdiction efforts and by targeting their command and control functions.

Through multi-agency domestic drug investigations, such as RECIPROCITY and LIMELIGHT, and with the assistance of our country office in Mexico, DEA has been able to build cases that have led to the indictment of the leaders of every major drug trafficking organization in Mexico. More than one-half of the priority requests for provisional arrest for extradition filed by the Department of Justice are for major drug traffickers.

The Hemispheric Response in the Caribbean

As part of the hemispheric response to the threat posed in the Caribbean, DEA has put a number of initiatives in place. In July 1997, DEA put into practice the Caribbean Regional Operational Plan (CROP) which combined the joint law enforcement resources of DEA, Federal Bureau of Investigation, United States Customs Service, and the Immigration and Naturalization Service. This plan includes a multi-agency and multi-jurisdictional effort, coordinating the counter-drug operations of the DEA offices in San Juan, Puerto Rico, Miami, Florida with activities of the U.S. Embassy Country Teams, and the law enforcement agencies of the Caribbean nations. This plan was built on the successful strategies implemented in Operation BAT, Operation GATEWAY, and the Southwest Border Initiative. From an organizational perspective, DEA enhanced its Caribbean Field Division by 25 Special Agents. In fiscal year 1997, the Caribbean Division arrested 652 defendants, initiated 124 criminal cases and documented over $13 million in asset seizures.

In July, 1997, to disrupt the flow of drug traffic in the Caribbean, DEA initiated Operation Summer Storm and Operation Blue Skies. Both operations were coordinated with Caribbean law enforcement personnel to target air, land, and maritime smuggling networks. More recently, in April 1998, Operation Frontier Lance began to focus investigative resources on air and maritime smuggling throughout the Southern and Northern areas of Hispaniola in an effort to enhance the interdiction of drug trafficking through Haiti and the Dominican Republic.

The Hemispheric Response: Domestic Interdiction

There is of course a domestic component to our hemispheric strategy, which should also be understood as part of DEA's contribution to the overall national strategy to reduce drug smuggling into the United States. The United States has initiated a wide range of law enforcement and intelligence programs that aim to prevent illicit drugs from entering the country. One of the nation's most effective drug interdiction programs—Operation Pipeline—has been carried out on its highways for over a decade, and has been responsible for seizures that match or exceed those of other, more costly programs. Operation Pipeline is a highway drug interdiction program led by state and local agencies, and supported by DEA's El Paso Intelligence Center [EPIC]. Through EPIC, state and local agencies can share real-time information on arrests and seizures with other agencies, obtain immediate results to record check requests, and receive detailed analysis of drug seizures to support investigations.

Beginning in the early 1980s, the rate of seizures and arrests signaled to State and local law enforcement officers that the nation's highways had become major arteries for drug transportation. Tons of illicit drugs were flowing North and East from Florida and the Southwest border, while millions in drug money returned South and West—as if traveling through a pipeline. During annual conferences and other multi agency gatherings, officers shared their experiences in highway interdiction, which the state and local police communities termed "Pipeline" investigations. DEA retained this name in 1984 when it established *Operation Pipeline,* which targeted only private passenger vehicles. In 1990, *Operation Convoy,* Pipeline's sister operation, was created to target the commercial operations of drug transportation organizations.

Operation Pipeline is now active along the highways and interstates most often used by drug organizations to move illicit drugs North and East and illicit money South and West. During the first nine years of the program, the following seizures were made on the nations highways: $379,000,000 in U.S. currency; 696,000 kilo-

grams of marijuana; 94,000 kilograms of cocaine; 642 kilograms of crack; 278 kilograms of heroin, and 1,943 kilograms of methamphetamine. In the last year alone, from September 1997 through August 1998, Pipeline Seizures totaled: $451,000,000 in U.S. currency; 801,610 kilograms of marijuana; 104,742 kilograms of cocaine; 724 kilograms of crack; 346 kilograms of heroin; and 2,975 kilograms of methamphetamine. These increasingly more effective interdiction results dramatically show the high value of this interdiction program. The results were achieved with no more than the initiative of state and local police officers and the cost of training provided by the Drug Enforcement Administration.

With support from DEA Agents across the country, state and local highway officers are able to execute controlled deliveries of the drug shipments they seize, thereby furthering their own criminal investigations and contributing to federal and international investigations. By identifying and arresting members of the transportation cells of drug trafficking organizations, along with the U.S. customers, law enforcement authorities are better positioned to target the command, control, and communication of a criminal organization, and arrest its leadership.

It is important to note that these interdiction operations form an integral part of DEA's over-all strategy. As was the case with RECIPROCITY and LIMELIGHT, a seemingly unconnected series of seizures on America's highways can turn into a major investigation, leading to a significant blow against an international drug trafficking organization. With its strategy of mounting strategic strikes on command and control, DEA is able to degrade the ability of the organizations to conduct business and impede their ability to import drugs into the United States. Each time we demolish an organization as part of this strategy, we will further facilitate the intelligence collection process which is critical to the interdiction of drugs. DEA will gain vital intelligence about the rest of the organization to use both in further strikes and in increasing the accuracy of information provided to interdiction operations conducted by other agencies.

THE PROBLEM CONTINUES

Recent events highlight the ever-changing nature of drug law enforcement efforts against international drug traffickers. The Mexican-Central American corridor has been the primary smuggling corridor for cocaine destined for the United States since the 1980s. Events in Mexico and along the border bring emphasis to the fact that trafficking groups from Mexico are a significant force in international organized crime. These organizations are no longer simply middlemen in the cocaine transportation business. With the disruption of the Cali syndicate, groups such as the Amado Carrillo-Fuentes organization, the Arellano-Felix cartel, the Amezcua Contreras brothers, the Guzman-Loera organization, and the Caro-Quintero group have consolidated their power and now dominate drug trafficking along the U.S./Mexico border and in many U.S. cities. These organizations can reach even into the very elements of the Mexican government which are intended to fight drugs, as the traffickers continue a reign of terror and violence along the border with the United States.

The violence that is an essential part of these ruthless and powerful organizations impacts innocent citizens who live in the Untied States. The traffickers' willingness to murder and intimidate witnesses and public officials has allowed these organizations to develop into the present day threat they are to the citizens of the United States and Mexico. Drug traffickers continue their brazen attacks against both U.S. and Mexican law enforcement officials and their sources of information.

For example, on June 3, 1998, as two Border Patrol Agents responded to a ground sensor detection of a possible illegal entry shortly after midnight two miles north of the U.S.-Mexico border they encountered five men carrying backpacks full of marijuana. During the initial encounter the Border Patrol Agents identified themselves and instructed the men to sit down. As Agent Alexander Kripnick was preparing to arrest two of the men, one got up and began running. When Agent Kripnick turned around, Bernardo Velardez Lopez shot him in the head. The suspects then fled the scene. Agent Kripnick was pronounced dead four hours later. Manuel Gamez, one of the smugglers, was arrested by U.S. authorities several hours later. Mexican authorities arrested Velardez Lopez in Nogales on June 11th. U.S. officials have begun an extradition request for him.

The traffickers' ability to corrupt government officials is highlighted by events during the week of August 9, 1998, when twenty (20) Mexican military officials assigned to a "Grupo Armado de Fuerzas Especiales" (GAFES) unit were arrested in Mexico City on charges of drug trafficking and alien smuggling. Among the arrested officials were several military personnel, captains and majors, all of whom had been assigned to the Attorney General's Office as anti-narcotics agents of the Federal Ju-

dicial Police. In addition, on August 11, 1998, another sixty (60) officials were removed from the unit which was based at the Mexico City international airport and remain in custody for questioning. The arrests were conducted by elements of the Attorney General's Office and from the Secretariat of National Defense (SDN). These officials had been pursing this investigation for several months, based on information indicating that GAFE officials assigned to the international airport were involved in protection of drug shipments.

The reign of terror, as drug traffickers use violence, intimidation, and assassination to protect their turf, continues along the border. On September 9, 1998, Rafael Munoz Talavera was abducted, tortured and murdered in Ciudad Juarez, in close proximity to the residence occupied by Munoz's father. This could have possibly been a message to other members of the Munoz Talavera organization. Munoz was a lieutenant of the late Amado Carrillo-Fuentes, and was fighting to gain control of the ACF organization. Evidently, he was assassinated as part of the on-going power struggle, the outcome of which will clearly influence who controls the flow of drugs across the Mexican border through the Juarez corridor. Munoz' rivals will now seek to divide control between them.

Not only in Mexico, but in other nations the level of violence against law enforcement personnel continues to be high, demonstrating the deadly power of the trafficking organizations that control the flow of drugs into the United States. Just last month, in Colombia, leftist rebels handed Colombian authorities another in a string of defeats, raising concern about the Colombian government's ability to contain trafficking within its borders. In the final days of the Samper Presidency, rebels launched attacks in 17 of Colombia's 32 states, killing an estimated 140 soldiers and police officers and scores of civilian bystanders. The most stunning attack was that on August 3–4 at the base at Miraflores (275 miles south of Bogota) used for coca eradication operations. Three police officers were killed, eight wounded, and 54 were taken prisoner. Fortunately, no Americans were based at any of the locations attacked by the rebels, not were any Americans harmed in Colombia during the attacks. For the Colombians, however, the terror continues. Only last week, 20 policemen were taken prisoner in a National Liberation Army (ELN) attack on Las Mercedes, a small town in Norte de Santander province. According to press reports, this incident brings to about 270 the number of security force officers now being held by the ELN and the larger Revolutionary Armed Forces of Colombia (FARC), both of which are closely associated with Colombian trafficking organizations.

CONCLUSION

The DEA remains committed to targeting and arresting the most significant drug traffickers in the world today. We will continue to work with our law enforcement partners throughout the world in support of their efforts and to improve our cooperative efforts against international drug smuggling.

Thank you for the opportunity to testify today. I will be happy to respond to any questions you may have.

PREPARED STATEMENT OF GEN. BARRY R. MCCAFFREY

INTRODUCTION

Chairmen Coverdell and Grassley, Caucus and Committee members, thank you for the opportunity to testify on U.S. drug interdiction efforts. All of us at the Office of National Drug Control Policy (ONDCP) appreciate your longstanding support and interest in all aspects of drug control policy, as well as the guidance and leadership of the Caucus and the Committee. We all appreciate this opportunity to share our views of the Western Hemisphere Drug Elimination Act.

As you know, goals 4 (Shield America's air, land and sea frontiers from the drug threat) and five (Break drug sources of supply) of the ten-year *1998 National Drug Control Strategy* focus on reducing the availability of illegal drugs within the United States. The *Strategy's* mid-term goal is to reduce illegal drug availability by 25 percent by the year 2002; our long-term goal is to reduce availability by 50 percent by the year 2007.

In March, we submitted to you a detailed set of *Performance Measures of Effectiveness.* The nucleus of the system consists of twelve targets that define specific results to be achieved under the *Strategy's* five goals. Eighty-two supporting performance measures delineate mid-term and long-term outcomes for the *Strategy's* thirty-two supporting objectives. Our basic aim is to reduce drug use and availability by 50 percent in the next ten years. These measures of effectiveness were developed in full consultation with all federal drug-control program agencies. The *Strategy's*

mid-term Goal 4 objective is to reduce by 10 percent the rate at which illegal drugs successfully enter the United States by the year 2002. The long-term objective is a 20 percent reduction in this rate by the year 2007. The *Strategy's* mid-term (5-year) objective for goal 5 is a 15 percent reduction in the flow of illegal drugs from source countries; the long-term (10-year) objective is a 30 percent reduction. ONDCP also submitted for the Congress' consideration the first-ever five year federal drug control budget. It is our view that the *Strategy,* the *Performance Measures of Effectiveness,* and the *Budget Summary* outline a credible program for reducing drug use and its consequences and drug availability.

AN UPDATE ON COCAINE-CONTROL EFFORTS IN THE WESTERN HEMISPHERE

Potential cocaine production declined significantly in 1997. Our source country strategy has achieved greatest success in Peru, contributing to a disruption of the Peruvian cocaine economy. Peruvian coca cultivation declined by 27 percent last year, and is down 40 percent in the last two years. Bolivia has achieved modest decreases in coca cultivation and potential cocaine production over the last two years. However, these gains have been partially offset by surging coca cultivation in Colombia. Colombia now has more hectares of coca under cultivation than any other country. The area under cultivation has increased by 56 percent in the past two years. Nonetheless, total Andean cultivation declined seven percent and estimates of total potential cocaine production declined by 15 percent—from 760 to 650 metric tons in 1997. This is the lowest figure this decade. An analysis of the situation in each of the three South American cocaine producing countries follows:

• *Bolivia.* Bolivia eradicated 3,934 hectares in the first six months of 1998, compared to 2,858 for the same period in 1997. This promising outcome underscores the Banzer administration's resolve to confront the coca trade. Earlier this year, President Banzer released a national strategy entitled Con Dignidad that establishes the objective of eliminating illicit coca cultivation within five years. The Government of Bolivia estimated in their anti-drug strategy that the total financing requirement to meet their objective of completely withdrawing from the coca-cocaine circuit between 1998 and 2002 would require 952 million dollars to support alternative development, eradication, prevention and rehabilitation. Thirty-five thousand Bolivian families currently depend on the illegal cocaine trade for their livelihood. It is unlikely that the international community will provide Bolivia the support its government believes is required to attain this ambitious objective.

• *Colombia.* As a result of surging coca cultivation, Colombia now grows more hectares of coca than Peru or Bolivia. Colombia also continues to be the world's leading producer of cocaine HCl, processing much of Peru's coca base. It will be difficult to achieve a decrease in cocaine production in Colombia in the short term. The current conditions (weak government, security forces not in control of substantial areas of the country, increasingly stronger guerrilla and paramilitary forces, weak legitimate economy, broken judicial system, and official corruption) are conducive to drug trafficking and will take time to reverse. The new Pastrana administration has stated its commitment to tackling these issues, but it would not be realistic to expect a complete turn around in a short period of time.

ONDCP believes that we will see continued expansion of coca cultivation, especially in areas outside of the Colombian Government's effective control. The aggressive aerial eradication campaign being conducted by the Colombian National Police with the help from the U.S. State Department will only slow this expansion. Colombian trafficking organizations appear to be determined to offset declines in Bolivian and Peruvian coca production with increased domestic production. The recent national narco-guerrilla offensive and the resulting significant military defeats suggest that Colombian security forces will not be able to conduct effective anti-drug operations in regions where guerrilla forces are dominant and control the ground.

• *Peru.* Through June, Peru's manual eradication program had met 75 percent of its 1998 target of 4,800 hectares. The overall impact on production has been limited because efforts have focused on semi-abandoned fields in national forests. Peruvian Drug Czar Marino Costa Bauer stated in June that record-low coca leaf prices combined with continuing eradication efforts would result in the virtual elimination of illicit coca cultivation in Peru within five years. However, it would seem unlikely that coca leaf prices will remain low if demand in consumer nations exceeds the available supply.

1997 saw significant cocaine seizures in the transit zone. Drugs coming to the United States from South America pass through a six-million square-mile area that is roughly the size of the continental United States. This transit zone includes the Caribbean, Mexico, Central America, the Gulf of Mexico, and the eastern Pacific Ocean. Event-based estimates suggest that perhaps 430 metric tons of cocaine

passed through the transit zone in 1997, and 85 metric tons were seized there; 60 percent more than in 1996. 1997 was the third consecutive year of increased transit-zone seizures. Coast Guard supported cocaine seizures in 1997 totaled 47 metric tons. U.S. interdiction operations in the Caribbean focused on Puerto Rico with good results. Thirteen metric tons of cocaine were seized in the Puerto Rico area. Interdiction operations contributed to a reduction in the flow of cocaine to the island, forcing traffickers to divert shipments to the Dominican Republic and Haiti. Drug-related crime in Puerto Rico plunged by 37 percent.

1998 cocaine seizures are on a par with 1997's levels. An estimated 127 metric tons of cocaine were seized worldwide (excluding U.S. internal seizures) during the first six months of this year. This amount is slightly less than the corresponding 1997 figure of 131 metric tons. Transit zone seizures were about 45 metric tons compared to 43 metric tons during the same time in 1997. Seizures in Central America totaled 19 metric tons, nearly double the ten metric tons seized during the same period in 1997. Mexican seizures of 15 metric tons are below last year's corresponding figure of 24 metric tons. Seizures in the Caribbean totaled about 14 metric tons, up from 9 metric tons for the same period in 1997. Within the arrival zone, U.S. law enforcement agencies have seized 36 metric tons, compared with 24 tons during the same time in 1997.

Trafficking trends: January–June 1998. Peru continues to export most of its coca base to Colombia for processing into cocaine HCl and subsequent smuggling to consumer nations. Traffickers are exploiting the plentiful waterways in northern Peru to move cocaine base. They are also prepared to revert to the use of aircraft as the primary means of transportation should we let up on the successful airbridge denial campaign. The movement of cocaine HCl from processing locations to international departure points within Colombia is mostly undetected. An estimated 232 metric tons were smuggled out of South America destined for the United States:

- *Mexico/Central America corridor.* Fifty-two percent (121 metric tons) of the cocaine destined for the United States is estimated to have been routed along this corridor. Fifty-four metric tons were seized along this corridor, 34 in the transit zone and 20 in the arrival zone. Sixty-seven metric tons were estimated to have entered the United States via this corridor.
- *Caribbean corridor.* Thirty-two percent (74 metric tons) is estimated to have passed through the Caribbean. Fourteen metric tons were seized along this corridor, 11 in the transit zone and 3 in the arrival zone. Sixty metric tons were estimated to have entered the United States via this corridor.
- *Direct Transportation.* Sixteen percent (37 metric tons) is estimated to have proceeded directly from South America to the United States. Thirteen metric tons were seized in the arrival zone. Twenty-four metric tons were estimated to have entered the United States via this corridor.

In summary, an estimated 232 metric tons of cocaine departed South America in the first six months of this year. Forty-five metric tons were seized in the transit zone, while 36 were seized in the arrival zone. An estimated 153 metric tons were smuggled into the United States during this period. One third of the cocaine destined for the United States was interdicted in either the transit or the arrival zones. This interdiction performance is consistent with that of previous years, but it is not good enough. We need to do better.

Smuggling techniques continue to change in response to interdiction efforts. Traffickers continue to move cocaine via a wide variety of modes and conveyances and to adapt their methods and routes to avoid detection and apprehension.

- *Mexico/Central America corridor.* Containerized commercial cargo is a common method for smuggling cocaine into the Duty Free Zone in Colon, Panama. Cocaine is transported in smaller quantities in both commercial and private vehicles along the Pan-American Highway in Central America to reduce the risk of detection. Cocaine is also introduced throughout Central America via maritime commerce. Seizure data along the U.S.–Mexico border suggests that cocaine is evenly distributed between commercial cargo and private cars.
- *Caribbean corridor.* Traffickers mostly use non-commercial aircraft and non-commercial maritime vessels to smuggle cocaine into Caribbean islands. Haiti has become a more prominent transshipment point despite our efforts to develop capable law enforcement agencies. "Go-fast" boats travel with virtual impunity between Colombia and Haiti. Airdrops off the southern Haitian coast are common. Cocaine passing through Haiti either is smuggled directly to the United States and Western Europe or is routed through the Bahamas, the Dominican Republic, or Puerto Rico. Traffickers also use small aircraft and go-fast boats to deliver cocaine to Puerto Rico. There are reports that traffickers track U.S. Coast Guard movements and se-

lect the time and location of deliveries to avoid interdiction. Recent interdiction operations illustrate how traffickers are operating.

- On July 9th, the *USS John L. Hall (FFG 32)* intercepted two go-fast boats off the coast of Panama and seized 2,000 pounds of cocaine.
- On July 24th, the Coast Guard Cutter *Gallatin* conducted a consensual boarding of the coastal freighter Apemagu and discovered numerous suspicious items. The Apemagu was escorted to Guantanamo Bay where a detailed search found 1500 pounds of cocaine.
- On August 4th, a Coast Guard aircraft from Air Station Miami tracked a 42-foot go-fast boat with three 200HP outboard engines as it rounded the eastern corner of Cuba and proceeded through Cuban territorial seas toward Long Island, Bahamas. Two helicopters from Operation Bahamas Turks and Caicos detected the boat near Long Island and dropped off law enforcement agents who seized the vessel, a vehicle that linked up with it, 1600 pounds of marijuana and an undetermined amount of cocaine.
- On August 14th, the *USS John L. Hall* detected and intercepted a 35-foot speedboat off the coast of Panama and recovered forty-one bales of cocaine jettisoned by the speedboat's crew.
- Also on August 14th, the Coast Guard Cutter *Valiant* located and boarded a suspected drug smuggling boat (the Isamar) off the coast of Haiti, detecting numerous indicators of drug smuggling. Valiant's boarding team requested and received permission to remain onboard the Isamar until it docked in the Miami River. A joint Coast Guard, Customs, DEA, and FBI team boarded the vessel in the Miami River and found 5,100 pounds of cocaine.

• *Direct Transportation.* Commercial cargo (both air and maritime) and air passengers (human mules) are frequently used to smuggle cocaine and heroin from South America to the United States. Traffickers route mules through third countries (e.g. Argentina and Chile) to minimize U.S. Customs' attention and avoid fitting "profiles." Cargo containers and agricultural shipments are commonly used to conceal cocaine in commercial vessels.

Interdiction and Deterrence studies. In the Classified Annex of the *1997 National Drug Control Strategy,* ONDCP tasked the USIC to conduct an *Interdiction Study* to determine what resources are required to attain the *Strategy's* interdiction goals. In response, USIC and the interagency have assessed requirements in both the source and transit zones to accomplish goals specified in Presidential Decision Directive 14, the *National Drug Control Strategy,* and the *USIC Interdiction Guidance for 1998* which identifies Southeastern Colombia as the center of gravity for the cocaine industry. ONDCP, Customs, and the Coast Guard are conducting a study of the deterrence value of interdiction operations in the source, transit and arrival zones. Our intent is to develop models to assist commanders as they decide where and when to employ interdiction assets.

The need for improved capabilities in the arrival zone. We face considerable drug-control challenges along our air, land, and sea frontiers. The Administration has made considerable strides strengthening enforcement along the Southwest border and the Southern tier which represents a significant drug-control challenge along the nation's air, sea and land borders. From 1993 to 1997, the Administration increased funding by over 40 percent for the Coast Guard, Customs and Immigration and Naturalization Service to support border enforcement activities along the Southern tier. This funding translated into more than 2,400 additional Customs and INS inspectors, 2,800 new Border Patrol agents and force-multiplying enforcement technology such as x-rays and border sensors and cameras. Despite the great strides this Administration has made to strengthen our border, we estimate that only 20 percent of the cocaine crossing the border is seized.

ANALYSIS OF THE WESTERN HEMISPHERE DRUG ELIMINATION ACT

The focus that members of Congress and their professional staff have devoted to this Bill reflects our shared commitment to ensuring our supply-reduction programs are effective. The Bill contains many useful ideas and budgetary initiatives. However, we have serious concerns with certain aspects of the Bill, including:

The legislation's primary goal of reducing the flow of illegal drugs into the United States by not less than 80 percent by December 31, 2001 is completely unrealistic. It is unlikely that the amount of cocaine departing South America for the U.S. market will decline appreciably before December 2001. Given that historically combined interdiction rates for cocaine in the transit and arrival zones have averaged about 33 percent, it is unlikely that this figure can be changed so dramatically in the next

three and a half years. Consequently, reducing the flow of cocaine by 80 percent is not feasible. Furthermore, much of the equipment the legislation would authorize would not be fielded for several years and could not be deployed in time to work towards this objective. It is impossible to develop over the next four years political, criminal justice, and law enforcement institutions that are capable of standing up to the pressures exerted by drug trafficking international criminal organizations in all major source and transit countries. Absent such essential partners, the United States cannot unilaterally achieve this success rate. Legislating this goal would place an empty slogan instead of realistic strategy in front of the American people.

Interdiction success is not the main determinant of illegal drug consumption. The reason that 50 percent of high school seniors smoke marijuana before graduation is not because foreign drugs are flooding the United States. Societal acceptance of illegal drug use, low risk perception, peer example, and drug availability—much of it from domestic sources—are all contributing factors. Marijuana usage accounts for about 90 percent of all juvenile illegal drug use. We are responding to this problem appropriately with the National Youth Anti-Drug Media Campaign, by addressing shortcomings in the Safe and Drug-free Schools program, by supporting community anti-drug coalitions, and by expanding treatment availability. In the end, we will solve the drug problem in America principally by decreasing demand for a drugged lifestyle. Supply reduction is also crucial, but only by taking a multi-pronged and balanced approach to the nation's drug problem can we hope to succeed.

The specific legislative enhancements proposed by this Bill are not tied to a coherent strategy. The Bill fails to develop an overarching concept. It is neither linked to the existing drug threat nor tied to a clear strategic vision or operational concept. Instead, it mandates a series of tactical resource allocation decisions. The drug-control budgets, which the Executive Branch has submitted for congressional consideration, are tied to the goals, objectives, and performance measures elaborated in the ten-year *National Drug Control Strategy.* In sum, this Bill is micro-management of drug tactics based on a shallow analysis of the problem and our available tools.

The legislation lacks flexibility. The Bill would impose inflexible requirements. Its provisions are too specific. For example:

- 2 Schweizer observation/spray aircraft (to be piloted by pilots under contract with the United States).
- Acquisition of concertina wire and tunneling detection systems at the La Picota prison of the National Police of Colombia.
- Forward deployment of 5 riverine operations maintenance platforms.
- Establishment of a third drug interdiction site at Puerto Maldonado, Peru.
- 2 mobile x-ray machines . . . for placement along the Chapare highway. (The locations of such machines should not be specified by statute but left to the discretion of commanders on the ground.)
- . . . operation and maintenance of 1 J–31 observation aircraft.

Wisely, the Congress never thought to tell General Norman Schwarzkopf where to deploy his armored forces during operation *Desert Storm* or when and how to attack. It would be inappropriate for the Congress to interfere in decisions that are properly those of duly appointed leaders, law enforcement officials, U.S. diplomatic personnel, unified commanders, the Secretary of State, and other responsible officials within the Executive Branch. This legislative approach would be bad government.

The Bill proposes authorizations that are far in excess of expected appropriations and the President's budget without specifying where these funds will come from. The Bill would authorize $2.6 billion in appropriations in addition to those already authorized for fiscal years 1999–2001. To date, Congress has not appropriated funds for many of the Administration's pending anti-drug abuse requests.

The legislation infringes on the authority of the President and the Secretary of State. The bill infringes on the President's appointment powers and the Secretary of State's flexibility in personnel matters and intrudes upon well-established procedures for providing foreign military assistance.

Transferring the Bureau of International Narcotics and Law Enforcement Affairs from the State Department to the Drug Enforcement Administration is a bad idea. The underlying assumption is that certain foreign assistance activities of the Sate Department could be better carried out by a law enforcement agency. This assumption is neither substantiated nor soundly based.

Consolidation of all joint interagency task forces (JIATF) would reduce effectiveness. We are streamlining the existing interdiction command and control structure and have reviewed the National Interdiction Command and Control Plan. Planning is underway to consolidate JIATF East (based in Key West) and South (based at

Howard Air Force base, Panama) as it becomes more likely that all U.S. military forces will be withdrawn from the Republic of Panama next year. Closure of JIATF West (based in Alameda, California) would disrupt DoD support to law enforcement agencies involved in heroin control efforts in Asia and cocaine interdiction efforts in the eastern Pacific. Closure of the El Paso based Joint Task Force 6 would also disrupt military support of drug-control operations along the Southwest border. ONDCP has presented specific recommendations regarding accountability and coordination of drug-control efforts along the Southwest border to the President's Drug Policy Council.

CONCLUSION

We share the Congress' view that drug availability in the United States can and must be substantially reduced. All of us at ONDCP appreciate your support of our balanced *National Drug Control Strategy* and major initiatives associated with it such as the National Youth Anti-Drug Media Campaign, the Drug-Free Communities Act, and the High Intensity Drug Trafficking Area program. However, the goals proposed by the Western Hemisphere Drug Elimination Act are unrealistic. This is a "ready, fire, aim" approach. The ten-year *Strategy* developed in consultation with the Congress contains realistic goals. It proposes reducing drug availability in the United States by 25 percent by 2002, and by 50 percent by 2007 (1996 is the base year for comparative purposes).

ONDCP believes that the Western Hemisphere Drug Elimination Act should not contain tactical-level directives to those who have legal responsibility, experience, and training for deciding where, when, how, and why to employ equipment and personnel to accomplish the goals of the United States Government. ONDCP respects the role of Congress to provide oversight. We understand that Congress must examine specific aspects of the administration's drug-control efforts anywhere in the world. Please be assured that we also view this Bill as representing a clear communication of congressional concern with international aspects of drug-control policy and U.S. hemispheric efforts. ONDCP will evaluate such congressional thinking respectfully and use your ideas to adjust our own actions.

The Administration has submitted a FY 1999 drug control budget that includes 1.8 billion dollars for interdiction efforts—an increase of more than 36 percent since FY 1996. Proposed operating expense funding for the Coast Guard is 19 percent higher than in FY 1996. The 526 million dollars requested for DoD support of interdiction is 27 percent increase over FY 96 spending. We would welcome the opportunity to explain in greater detail how each agency is organizing its programs to attain the objectives established in the National Drug Control Strategy and to debate the sufficiency of funding for any aspect of our supply-reduction campaigns.

PREPARED STATEMENT OF BRIAN E. SHERIDAN

Mr. Chairman and Members of the Committee:

Thank you for this opportunity to speak before you today. Our nation's drug problem is a grave one that affects the lives of millions of Americans. Crime and health problems associated with illicit drug use continue to have an adverse effect on our communities and among our young people. Meanwhile, as the Secretary of Defense has stated, illicit drug trafficking poses a "national security" problem for the United States.

Addressing this problem, the President's National Drug Control Strategy articulates five strategic goals for our collective American effort to reduce illegal drug use and mitigate its consequences. The Department of Defense's counterdrug program constitutes an important part of the U.S. Government's multi-national and multi-agency approach to counter the flow of illegal drugs into the United States.

DoD's counterdrug objectives are to reduce drug use in the DoD uniformed services and the broad DoD community, to assist international and domestic law enforcement to disrupt illegal drug traffic into the United States, and to support domestic law enforcement to interdict drugs and drug operations in the United States. The Department's program is designed to employ the unique assets and personnel skills at its command to complement and support those of other U.S. agencies and cooperating foreign countries. Authority to accomplish these objectives includes 10 USC 124, section 1004 of the National Defense Authorization Act for FY 1991, as amended, section 1033 of the National Defense Authorization Act for FY 1998, and 506(a)(2)(A) of the Foreign Assistance Act of 1961, as amended. In addition a program implementing 10 USC 2576(a) provides excess DoD equipment to federal and state agencies for counterdrug activities.

While the Department provides support across the National Strategy's five goals, the focus of the Department's counterdrug is on two particular goals: Shield America's Air, Land, and Sea Frontiers from the Drug Threat (Goal 4); and Break Foreign and Domestic Drug Sources of Supply (Goal 5). DoD also supports the other three strategic goals: Educate and Enable America's Youth to Reject Illegal Drugs (Goal 1); Increase the Safety of America's Citizens by Substantially Reducing Drug-Related Crime and Violence (Goal 2); and Reduce Health and Social Costs to the Public of Illegal Drug Use (Goal 3).

Goal 1 (Educate and enable America's youth to reject illegal drugs): This fiscal year, DoD will spend $14.5M to conduct DoD family outreach programs to military dependents. These programs consist of a mixture of positive mentoring, drug avoidance education, leadership skill, peer pressure resistance, and counseling services. In addition, military personnel volunteer in drug abuse prevention programs through various community-based programs. The lack of appropriate legal authorities prevents the Department from conducting most outreach programs beyond the local military communities. Nevertheless, there are two exceptions to this limitation: the Young Marines program, and the National Guard State Plan funded outreach programs. These efforts focus on providing positive role models and drug awareness education for at-risk youth.

Goal 2 (Reduce drug-related crime and violence, through domestic law enforcement support): This year, DoD will spend $108.2M to respond to federal, state, and local drug law enforcement agency requests for domestic operational and logistical support to assist them in their efforts to reduce drug related crime. This support is provided by the National Guard and active duty personnel, and serves as a force multiplier for law enforcement agencies. I would note that the Department is not interested in militarizing law enforcement in the U.S. Since 10 U.S.C. 385 specifically prohibits direct participation by military personnel in law enforcement activities, DoD is limited to playing a supporting role for law enforcement. Military personnel do not engage in law enforcement activities such as apprehension or arrest of U.S. citizens or seizure of their assets.

With regards to the National Guard support, DoD annually approves and funds the 54 state and territorial governors' plans for use of the National Guard in support of law enforcement counterdrug operations. The National Guard provides a wide range of support to include aerial and surface reconnaissance, intelligence analysis, linguists, engineering, and training. In addition, through the National Guard, the Department funds several training academies for domestic law enforcement agencies including the Regional Counterdrug Training Academy (RCTA) at Meridian, Mississippi, and the Multi-Jurisdictional Task Force Training Academy at St. Petersburg, Florida.

Through Joint Task Force Six, DoD provides coordinated operational support by active component and reserves to domestic law enforcement agencies throughout the continental United States (excluding the U.S. Southwest Border, Southwest Border support is under Goal 4). Our domestic support efforts are prioritized to optimize the operational impact in designated high intensity drug trafficking areas. The type of support that we are authorized to provide includes: aerial reconnaissance, intelligence analysis, linguists, engineering, transportation, training and maintenance. DoD also provides domestic law enforcement agencies with counterdrug training by the U.S. Army Military Police School, Uniformed Services University of Health Science, Navy-Marine Intelligence Training Center, and the Civil Air Patrol. Additionally, DoD operates a military detailee program to assist Federal drug law enforcement agencies. Finally, DoD transfers excess personal property to drug law enforcement agencies to support their equipment needs where possible.

Goal 3 (Reduce costs resulting from illegal drug use, through the DoD demand reduction effort): This year, the Department will spend $74.6M on drug demand reduction programs. The primary focus of our demand reduction program is force readiness. Through this program, the Department strives to convey that drug abuse is completely incompatible with military preparedness; therefore, there is no tolerance for drug abuse within the military forces.

DoD's demand reduction program consists of three components: drug testing for military and civilian personnel, drug abuse prevention/education activities for military and civilian personnel and their dependents, and drug treatment for military personnel. Drug testing funding supports the operation of the six military drug testing laboratories which test active duty military members, the contract costs of drug testing Defense Department civilians, and the contract costs for reserves and new military entrants. Funding for prevention/education activities supports Service and Defense Agency-specific programs aimed at ensuring that military and civilian members understand the dangers of drug abuse to the individual, the family, and

the broader DoD community. Only limited funding is provided for drug abuse treatment, as other sources of DoD support are available for this function.

Goal 4 (Shield America's air, land, and sea frontiers from the drug threat): Despite increased efforts to attack the cocaine threat at its source, drugs continue to flow to the U.S. due to the pervasive nature of the narco-trafficking business and the geographic immensity of the threat region. DoD will spend $401 .6M in FY98 on programs that use cued-intelligence to assist law enforcement and transit nation forces' detection, monitoring and interdiction operations against the transport of cocaine through the Caribbean, the East Pacific, Central America, and across our southwest border.

Because the drug smuggling threat has changed from predominantly an air threat to a maritime threat, continuing flexibility is essential, and is incorporated within DoD's transit zone program. Among the various DoD efforts in the transit zone, the Department maintains a robust, flexible, and cost effective detection and monitoring capability that can counter the changing smuggling threat. In support of Goal 4, the Department operates and two Relocatable Over-The-Horizon Radars (ROTHR), seven P–3 Counterdrug Upgrade aircraft, E–3 AWACs, four E–2s, four F–16 fighters, three Navy combatants, and three TAGOS radar picket ships. These assets provide an exceptional air detection and monitoring capability throughout the 6 million square-mile transit zone, and provide a flexible maritime surveillance and interdiction capability. Additionally, through the Tethered Aerostat Radar System, DoD provides critical low-altitude radar surveillance of the Caribbean and southwestern approaches into the U.S. An aggressive research and development program continues to provide a variety of substantial technology upgrades to the ROTHR system, greatly enhancing its detection and tracking performance.

DoD support to Joint Inter-Agency Task Force (JIATF)-East provides the operational command, control, and tactical intelligence for the transit zone cocaine operations. Moreover, DoD support to JIATF-West provides important intelligence capabilities to DEA-led efforts to address U.S.-bound heroin smuggling in Southeast and Southwest Asia, and has proven instrumental in improving participating nation counterdrug capabilities.

Improvement of Mexico's drug interdiction capability continues to be a key interest as approximately 57% of the cocaine entering the U.S. passes through Mexico. DoD's ongoing cooperation with the Mexican military is maintained through a military-to-military bilateral working group process.

A DoD-funded National Guard program provides support to drug law enforcement agency operations along the US southwest border, in Puerto Rico and in the Virgin Islands. In support of this goal, the National Guard provides a wide range of support to include aerial and surface reconnaissance, and cargo inspection at ports-of-entry to deny illegal drugs from entering the U.S.

Through Joint Task Force Six, DoD provides support to law enforcement by active component and reserves along the Southwest border. Efforts are prioritized to optimize the operational impact on the Southwest Border to deny the smuggling of illegal drug into the U.S. The support that DoD provides includes reconnaissance intelligence analysis, linguists, engineering, transportation, training and maintenance.

As directed by Congress, DoD is successfully completing the non-intrusive inspection technology research and development program with all major systems being completed by FY00. In FY99, DoD counterdrug research and development program will focus on technology to support non-intrusive inspection systems, detection and monitoring, interdiction, tactical operations on the Southwest border, and intelligence collection supporting interdiction.

DoD participation, in the form of detection and monitoring assets, personnel, and operational support to cooperating nations in the transit zone continues to result in the successful seizure and trafficker jettisons of over 100 metric tons of cocaine each year—preventing that cocaine from reaching the U.S. for consumption by drug abusers.

Goal 5 (Break foreign and domestic drug sources of supply): This year, the Department will spend $249.0M in support of this goal. A major component of DoD's effort in this area is to provide critical intelligence collection and support to the interagency Linear Approach, whose focus is the dismantling of cocaine cartels and the disruption of the cocaine "business." In addition, DoD carries out a focused program to improve participating nation air, land, riverine, and maritime interdiction and end game capabilities of cocaine source nations. Such DoD training, logistics, intelligence, and communications support are intended to assist source nation counterdrug forces in the move toward self-sufficiency in their counterdrug efforts. The Department's objective is to provide the maximum, effective support possible within the legal constraint that prohibit direct U.S. participation in actual field operations.

When combined with in-country counterdrug efforts supported by the State Department and other agencies, this program has the potential to substantially curtail the cocaine "business" in the cocaine source countries of Colombia, Peru, and Bolivia. Such end game support for Peru over the past two years has been instrumental in a dramatic 40% decrease in coca cultivation which resulted from an inability to move coca base out of Peru. Similar complementary efforts in the bordering countries (i.e., Ecuador, Brazil, and Venezuela) are also included in the program.

In response to the traffickers increasing use of the source region's vast river network to move their product, the Commander-in-Chief the U.S. Southern Command has worked closely with U.S. embassy personnel to assist participating nation law enforcement organizations in developing a credible riverine interdiction capability in Peru. As part of this effort, the U.S. Marine Corps and Special Operations Forces personnel provide critical training to host nation forces assigned to the riverine interdiction mission. Moreover, under the auspices of Section 1033 of the National Defense Authorization Act of FY98, the Secretary of Defense was given 5-year authority to purchase and transfer riverine patrol boats, maintain and repair equipment, and perform other associated types of support specified in the legislation. The program also supports enhancements to Colombia's existing riverine program by providing equipment and maintenance support.

There is a clear and continuing opportunity to disrupt the cocaine "business," coca-growing areas of Peru and Colombia. Capitalizing on this opportunity, DoD provides support to Peru's ground-based interdiction operations. This is a critical program since Peru remains the primary source for the cultivation of coca, although production has decreased dramatically from the FY95 levels. Our support in this area is designed to enhance the Peruvian counterdrug forces' mobility in remote trafficking areas and their effectiveness in interdicting coca product movement. Through extensive training, both in Peru and at U.S. military facilities, and minor construction work to enhance jungle operating base infrastructure, this program strives to improve the operational mobility, flexibility and response capability of Peruvian counterdrug forces.

A significant portion of DoD source nation support is devoted to the use of assets to detect and monitor the movement of cocaine and coca products within South America. Specifically, source nation support involves the use of E–3 AWACs patrols and ground radars which detect suspected narcotrafficking aircraft. The detection information is handed off to U.S. or participating nation tracker aircraft and participating nation end game aircraft. Additionally, the Department deploys both Tactical Analysis Teams to assist U.S. embassies in source nations with intelligence and target analysis and Special Operations Forces-manned Joint Planning Assistance Teams which work directly with participating nation drug law enforcement leadership on operational planning. Lastly, the Department will oversee the construction and operation of the third Relocatable Over-The-Horizon Radar (ROTHR) in Puerto Rico with a surveillance range capable of effectively covering the Peru/Colombia/Brazil Airbridge Region as well as the operation of the Caribbean Basin Radar Network.

As you can see, the Department continuously strives to apply our unique assets and personnel skills to improve the effectiveness of our Nation's counterdrug efforts. We strive to ensure that the maximum operational impact is achieved with the funds available. While DoD's support to law enforcement alone cannot solve the Nation's drug problem, we have made steady progress in running a cost-effective, high-impact program against a quickly changing threat. Over the years, we have worked closely with our authorizing and appropriating committees as well as others as continue to pursue high-impact ways to support the work of law enforcement agencies both at home and abroad. We look forward to our continued collaboration in this important effort.

Thank you.

Responses to Additional Questions Submitted for the Record by Members of the Committee and the Task Force

QUESTIONS SUBMITTED TO SAMUEL H. BANKS

Question. U.S. forces cannot remain in Panama beyond 1999 unless an agreement is reached with Panama to let them stay; efforts to negotiate such an agreement have foundered. Right now there are several U.S. Customs airplanes stationed out of Howard that do work in Andean and Caribbean airspace. What back-up plans has Customs developed to substitute for Howard Air Force Base in Panama as a plat-

form for U.S. anti-drug activities in the region? Will these alternatives be more costly than operating from Panama or will these alternatives impact on the effectiveness of anti-drug operations?

Answer. U.S. Customs is dependent on the Department of Defense to coordinate and establish a forward operating location similar to Howard AFB, Panama. U.S. Customs is working diligently with the U.S. Southern Command to survey and identify a forward operating location that will not impact our mission effectiveness. Based on our past experience, U.S. Customs prefers Curacao as a suitable forward operating location for our C–550 and P–3 interdiction aircraft supporting the Andean and Caribbean airspace. In order to be effective in Southeastern Colombia, Venezuelan overflight would be required when operating out of Curacao.

In the event a forward operating location similar to Howard AFB were not established in a reasonable amount of time, U.S. Customs P–3 operations would continue out of Guantanamo Bay, Cuba, Puerto Rico and Curacao, respectively. Deployments similar to those conducted in the past would more than likely be scheduled out of Guayaquil, Ecuador, and Lima, Peru. Citation deployments, on the other hand, could conceivably be conducted out of Curacao, Netherland Antilles and Barranquilla, Colombia. Final disposition is predicated upon favorable site surveys. USCS personnel will conduct the requisite site surveys in the month of December 1998.

Question. What specific plans do you have to address the go-fast boats that smuggle drugs and evade capture through the shallow waters in the Bahamas?

Answer. U.S. Customs sponsored the accomplishment of Operation Plan Nancy, Mod C, which is the current interdiction plan for the Bahamas. Operating within the guidelines of this plan, U.S. Customs, in conjunction with U.S. Coast Guard marine assets and the Drug Enforcement Administration, routinely provides P–3 AEW, PA–42 CHET and C–550 interceptor tracker support to Bahamian interdiction operations. Participation by Customs aviation resources in Bahamian interdiction operations has resulted in numerous seizures of aircraft, boats and contraband. Since October 1991, we have chased approximately 40 airborne targets of interest (ATOI) that were destined to the Bahamas or Haiti. Of these 40 targets, only 2 resulted in a successful end-game in the Bahamas. In addition to these two end-games, there were some seizures made in Colombia after the suspect aircraft had either aborted its airdrop due to high law enforcement presence in the drop area or had made a successful drop to awaiting vessels. The major reason that only 10% of the targets detected resulted in an end-game is the desperate need for shallow-water go-fast type vessels to intercept the waiting fast-boats after the drop has been made. U.S. Customs will continue to provide a high level of support to Bahamian interdiction operations.

Question. Some experts say that the best way to disrupt the production and supply of drugs is to raise the risk that the traffickers run. Isn't it logical that our best hope of raising those risks is by focusing our limited resources in the relatively smaller target area in the producing zones rather than the huge transit zone, border, or on every American street corner.

Answer. Stopping drugs at the source is a valid concept; however, the effectiveness of this plan is dependent on the geopolitical environment in key source zone nations. Unfortunately, insurgent forces have successfully intertwined drug trafficking and production in areas where heavy insurgent activities exist. This unfortunate situation has made it difficult, if not impossible, to effectively interdict and eradicate the drug traffickers in the source zone, particularly in South Eastern Colombia. During the past year, approximately 100 airborne and marine targets were detected and tracked by U.S. Customs into and adjacent to the South American landmass. Of these 100 targets, approximately 20 resulted in some type of end-game.

The most difficult obstacle to conducting effective "Air Bridge Denial" operations is in ensuring that detection and monitoring missions are undertaken in areas where participating nations have the resources and capability to respond. To date most operations continue to emphasize "sustained operations." We lack the resources to effectively conduct these type of operations. More emphasis must be placed on focused operations. We need to identify weaknesses in the source zone drug transportation infrastructure and conduct intense, short-term, focused operations in concert with our foreign partners against those weaknesses.

Question. The Brazilian government recently has made an extraordinary commitment to fighting drugs. What specific assistance is the US Customs Service prepared to provide to assist Brazil in these efforts? Has any of these services been requested?

Answer. Most of the cocaine base and HCL leaving Peru for Colombia transits through Brazil. Most agencies estimate that Peruvian smugglers will increase their use U.S. Government assets, including the U.S. Customs Service P–3 AEW and P–3 Slick aircraft, are not allowed to enter Brazil airspace. There is currently no mechanism in place to request "hot pursuit" overflight. This affords drug smugglers a significant tactical advantage. Brazilian officials have routinely refused to allow USC aircraft to overfly their territory. To the best of our knowledge, this refusal is based on sovereignty concerns specific to overflight of U.S. military aircraft.

U.S. Customs is prepared to provide expert law enforcement advice to Brazilian law enforcement personnel. At this juncture, the Brazilian government has not requested any type of assistance from the U.S. Customs Service. Our current commitment to Colombia has exhausted our available detection and interdiction resources. Once our additional P–3 aircraft become available, Customs will be able to provide this type of support to Brazil if requested.

Question. The United States has provided extraordinary resources (helicopters, technical assistance, etc.) to support Mexico's anti-drug efforts. In addition, extraordinary Customs and Border Patrol resources have been deployed on the U.S.-Mexican border in the last several years. What results do we have to show for this investment? Are cocaine seizures up or down in the last 12 months, and by how much? Have any Mexican kingpins been prosecuted and sentenced for drug crimes? Have any criminals been extradited to the United States?

Answer. The Government of Mexico has made progress in their fight against drug trafficking in spite of corruption problems within their own government.

Drug kingpins have been arrested and many are now awaiting trial. As for extradition, Mexican law prohibits extradition of Mexican citizens who have legal charges pending against them; such individuals will not be considered for extradition until Mexican charges have been prosecuted. One member of the Gulf Cartel, Oscar Malherbe De Leon, has been arrested in Mexico and is subject to extradition. The only Mexican kingpin extradited to the U.S. was Juan Garcia Abrego, leader of the Gulf Cartel, who was extradited in 1996.

The Mexican Attorney General's Prosecutor (PGR) reports 34.3 tons of cocaine seized in 1997 and 17.2 tons cocaine seized through July 1998. While seizure numbers are slightly down from the previous year, some of this decline in seizures can be attributed to poor weather and the economic decline of Mexico during this last year.

In 1997 there were 7 major cartel members sentenced to a total of 161 years. Seven members of Arellano FELIX Cartel and eight members of the Juarez Cartel were arrested or killed.

Question. As a portion of the overall drug control budget, spending on interdiction and source country actions has declined precipitously since the peak. In your opinion, is this because the domestic threat is proportionally greater now than it was then?

Answer. The drug trafficker's proliferation of our borders and the source and transit zones has increased proportionally. Since 1995, the U.S. Customs overall budget and spending on interdiction activities has been relatively flatlined. The Customs aviation program's strength was reduced and a significant number of our interdiction aircraft was placed in storage. Also, the Customs marine program was reduced.

Through the most recent efforts of Congress via an emergency supplemental, the United States Customs Air Interdiction Program was appropriated an additional $162.7 million in operations and maintenance for source and transit zone initiatives. In addition, $7 million was appropriated for a new P–3 hangar facility to accommodate additional P–3 aircraft. However, an additional $16.3 million appropriated for additional air interdiction staff has been restricted through apportionment to overtime costs only. The aforementioned appropriation will enhance the overall effectiveness of the drug control strategy. The United States Customs Service deeply appreciates Congressional support of its programs.

Question. Interdiction funding has been flat since 1992. If more interdiction resources were to be made available, do you think they could make a substantial difference? Or is the US interdiction effort at the saturation point, where additional resources would do more to complicate existing efforts that provide any benefit?

Answer. As demonstrated in the 1980's, a significant increase in interdiction resources would make a substantial difference in decreasing the flow of drugs into the United States. Due to the tremendous appetite the American people have for illegal drugs, an increase in supply reduction resources is necessary to attack this problem with a balanced approach, which includes demand and supply reduction. This increase in supply reduction resources would make it more difficult for traffickers to

deliver their contraband and significantly decrease the drug trafficker's profit margin. This result along with demand reduction should bring a significant decrease in drug use in the United States.

Question. Over the past few years, Congress and Customs have worked hard to increase Customs presence and enforcement capability along the Southwest border. Some of these resources have come from other areas of the country. Do you believe Customs current resources along the SW border are adequate? Overstaffed? Should some of these resources be shifted back to locations such as Miami or New York, where they were taken from?

QUESTIONS SUBMITTED TO WILLIAM BROWNFIELD

Question. What do you consider the most cost-effective use of the anti-drug dollar: domestic demand-reduction activities or international programs to suppress or interdict supply? Isn't it much more difficult to interdict small amounts of drugs throughout the vast areas in which they are transited or sold than it is to suppress its production and interdict it in the relatively smaller areas where they are produced?

Answer. In order to deal effectively with the problems of drug abuse and narcotrafficking we must use all of the tools at our disposal: demand reduction, domestic law enforcement, international programs, and interdiction. Only by maintaining a sustained effort on all fronts will we make progress; each aspect of this assault on narcotrafficking complements the others. Ultimately, however, the most effective way to reduce permanently the availability of drugs derived from illicitly grown narcotics-producing crops is to eliminate the crop. Drug-producing crops tend to be more concentrated and detectable than other narcotics trafficking targets, making them more vulnerable to a range of suppression programs. INL therefore believes that the source country strategy now being implemented is a cost-effective use of counternarcotics dollars.

Question. U.S. troops cannot remain in Panama beyond 1999 unless an agreement is reached with Panama to let them stay: efforts to negotiate an agreement have foundered. What back-up plans has the Administration developed to substitute for Howard Air Force base in Panama as a platform for U.S. anti-drug activities in the region? Will these alternatives be more costly than operating from Panama or will these alternatives impact on the effectiveness of anti-drug operations? For example, aren't cost and effectiveness adversely affected if we have to build a new facility or if we have to use a site further away from the operating area, which is principally in the Andean region?

Answer. The Department of State and the Department of Defense are working together in a search for forward operating locations (FOLs) to provide counternarcotics support in Latin America. As part of our search for forward operating locations, we have been in contact with several strategically located governments in the region which may be interested in hosting these facilities. Obviously, there are sensitivities in the region to hosting USG Military facilities.

It is my impression that the change from Howard Air Force Base will impact both the cost and effectiveness of anti-drug operations. On the issue of effectiveness, our goal is to establish an FOL structure that will provide the most responsive support possible. The degree to which effective support can be provided will depend on the location, or combination of locations, of the FOLs and the local support services we are able to obtain at each of them. On the question of cost I respectfully refer you to the Department of Defense.

Question. In what ways could the U.S. military be more effective in its smuggling detection and monitoring role? Is the Defense Department adequately committed to carrying out this role as a priority mission?

Answer. We believe that the Department of Defense is committed to supporting USG counternarcotics efforts through its detection and monitoring role. According to DOD, approximately 88% of suspect aerial traffic comes under DOD detection and monitoring scrutiny. The equivalent figure for maritime tracking events is 33%. Given the vast area that must be covered, only continued improvement in USG and host country intelligence programs will allow DOD assets to be positioned more accurately.

Question. What specific plans does the Administration have for controlling the illicit flights carrying drugs from producing zones in Colombia to the northern coast (which is the staging area for transit to the United States)?

Answer. The Administration is working to address this problem in several ways. First, the Government of Colombia is successfully instituting a civil airplane registration program, with fraud resistant stickers which must be applied to all aircraft within Colombia. The program will make it easier to identify drug planes, confiscate them and arrest their owners. Building on the success of this ongoing program, we hope to institute a program to install electronic beacons on all civil aircraft to provide a further means of identifying and tracking illicit traffic.

Successful interdiction of drug flights depends heavily on intelligence to tip the authorities to impending drug flights. State and DEA are working to improve the technical intelligence gathering ability of the Colombian National Police by providing additional equipment and training.

Once drug flights have been identified, end game capability is required. DoD has the responsibility within the USG for providing detection and monitoring assets to assist the Colombians in this task. We are also working with the Colombian Air Force to develop the capability to safely interdict drug flights. We are providing night vision goggles and training in their use, and are working to improve an airfield in southern Colombia for interceptor use. Future plans include expansion to another base in eastern Colombia to address the problem of traffic diverting through Brazil to avoid the successful Peruvian aerial interdiction program.

Question. The Brazilian government recently has made an extraordinary commitment to fighting drugs. What specific assistance are we prepared to provide to assist Brazil in these efforts?

Answer. The Government of Brazil's (GOB) willingness to cooperate with the U.S. in the areas of counternarcotics (CN) and law enforcement has increased significantly in the past year. Given the nature of the threats to U.S. counternarcotics and law enforcement interests, our main objectives with the GOB are to:

(1) help the Brazilian authorities gain control of the Amazon region by denying drug traffickers in the air and on the water;

(2) assist the GOB to bring order to the Brazil, Argentina, Paraguay "tri-border" area by asserting control over their borders and thwarting the efforts of smugglers, money launderers, and other criminal elements; and

(3) encourage the GOB to assume a leadership role in the region in the areas of counternarcotics and law enforcement by dismantling international drug trafficking organizations.

Specifically:

—In August, we offered to receive a team of Brazilians to examine border control procedures along the U.S.-Mexico and U.S.-Canada borders. We also proposed bilateral meetings on an annual basis to plan and evaluate our cooperative efforts regarding counternarcotics and law enforcement.

—On September 25, we signed a bilateral agreement to provide $1,562,000 for support of a vetted counternarcotics federal police unit; and a combination of counternarcotics/law enforcement assistance which includes federal police enforcement projects, Administration of Justice/judicial task-force, money laundering, and arms trafficking control training, organizational operations that provide public information, and other drug education, treatment and demand reduction programs.

—In FY 98, we designated $2 million in 506(a) drawdown authority for provision of patrol boats, equipment and communications gear to assist the Brazilian Coast Guard and federal police counternarcotics division for interdiction and law enforcement purposes.

—In FY 98, we provided $150,000 in criminal justice training programs through the Department of Justice.

Question. What plans does the Administration have for the replacement of anti-drug facilities in the Guaviare region in the coca-producing zone of Colombia?

Answer. We fully support the expressed desire of the Colombian National Police to reestablish a permanent base in or near Miraflores, a major narcotics trafficking center. We have money identified in our FY98 budget for construction projects and for security improvements, which can be drawn upon to help share the costs of building a new, more secure base. We will have an identical line item in our FY99 budget, once approved. We are currently engaged in discussions with the CNP as to where exactly this base should be and what it will look like.

Question. Interdiction funding has been flat since 1992. If more interdiction resources were to be made available, do you think they could make a substantial difference? Or is the US interdiction effort at the saturation point, where additional resources would do more to complicate existing efforts than provide any benefit?

Answer. Although State/INL does not conduct interdiction activities, our programs complement those of the interdiction agencies. For example, INL programs, including those that train judicial and law enforcement personnel in the Western Hemisphere source and transit countries, prevented approximately 125 metric tons of cocaine from entering the U.S. in 1997. In addition, INL's support of eradication efforts in Peru and Bolivia led to a net reduction of 27,900 hectares of coca under cultivation.

International drug and crime control efforts, including interdiction, can always use additional funds. Additional funding, however, must be provided within the context of our ability to sustain operations and consistent with our overall strategy. That strategy emphasizes elimination of narcotics production at the source. In the coming year INL will expand eradication programs in Latin America where overall coca cultivation is clearly on the decline. We will also continue to upgrade our aviation assets, and we will allocate more money towards international organizations and Asian programs to confront the worsening opium and heroin problems originating in Burma and Afghanistan.

Question. There is a continual debate about the volume and kind of support we provide Colombia to aid their actions in their fight against narcotics traffickers. What do you feel would be the one most important item we could provide the Colombians that would make the biggest difference?

Answer. Our support to the Government of Colombia in the fight against narcotics traffickers is a comprehensive package. It involves aerial eradication, interdiction, judicial reform, and training. We work through an interagency process that involves ONDCP, DEA, DOJ, CIA, DOD, Treasury, and the Coast Guard. This allows us to bring together the best minds in the Federal Government to produce solutions to the narcotics problems in Colombia.

We believe our combined interagency efforts are working to provide the Government of Colombia with the best comprehensive counternarcotics package within our fiscal resources. We do not believe there is one single, big-ticket item, which will have a major impact in Colombia. This impact is achieved through consistent and aggressive application of solid programs. The emphasis should be, and is, to fund training and operations, not acquisitions.

Question. The State Department—and INL in particular—has received a lot of criticism in the past about the speed in which equipment that has been authorized and purchased is delivered to the host country. Are there any recommendations that you would make to Congress to speed up or smooth out the current process.

Answer. The problems INL has from time to time encountered in delivering equipment and materiel to host nations have resulted from a number of circumstances outside INL's control. Delivery of mini-guns for helicopters has been delayed because the required items have not been available from DOD stocks. The return to service of CNP UH–1H aircraft grounded because of engine vibration problems has been delayed because INL is only one of many customers in need of limited production replacement parts. Deployments of C–26 aircraft have been delayed by slow host nation responses to INL bilateral agreements and legislatively required Section 505 agreements. The resolution of legal and funding issues raised by the Department of Justice delayed delivery of a seized DC–3 to Colombia. The nature and condition of drawdown and surplus equipment complicates its delivery. INL has not encountered similar problems when the need has been simply to procure and ship required equipment.

QUESTIONS SUBMITTED TO DR. BARRY CRANE

Question. What do you consider the most cost-effective use of the anti-drug dollar: domestic demand reduction activities or international programs to suppress or interdict supply?

Answer. Within the uncertainties uncovered by our analyses [1] and the general results of previous demand analyses, I believe that supply and demand programs have about the same theoretical cost effectiveness, if executed effectively. Actual cost effectiveness, however, depends upon the results of specific and well-understood operations. Fortunately for interdiction, the types of successful operations are reasonably well understood, equipment can be specified in detail, and proven empirical performance measures can be compared to past data. In 1997, our most important theater-

[1] "An Empirical Examination of Counterdrug Interdiction Program Effectiveness," Jan 1997, IDA.

wide operation failed because only half of the resources were available to execute the interdiction plan against all critical axes simultaneously—such resources had been available 5 years ago, but the intelligence and successful operational concepts were not.

Anti-drug dollars should not be placed into the general demand or supply areas, without specifying proven programs to reduce use that are independently measurable. Since interdiction resources were substantially reduced in 1993 and the balance of the effort was shifted away from interdiction programs, the number of new users in all drugs has grown dramatically. With rapidly increasing incidence, prevention measures and reduction of supply are most likely to reduce incidence. Serious researchers can clearly demonstrate empirically that many types of interdiction operations substantially reduce use.

We should spend the anti-drug dollar on programs that work to reduce incidence and use measurable criteria to evaluate results. Clear empirical evidence from past interdiction operations in Peru indicated that severely curtailed international base transportation flights caused large reductions in use. Attacks on the larger cocaine production laboratories have also caused significant, but shorter term, reductions in use. Interdicting a modest number of illegal coca transportation flights within Colombia can cause a very large reduction in cocaine use (more than 50 percent). Reasonable resources are necessary to accomplish this: approximately three bases within Colombia spread out in three critical locations; a half dozen operational trackers that are forward deployed; and about 18 interceptors to intercept, inspect, and force down illegal flights. Fewer than 20–30 percent of these illegal flights need to be detected and only 2–5 percent need to be forced down. Our early research about operations in Peru predicted that interdiction of the base supply leaving Peru would yield a large US price increase and an approximate 25 percent reduction of use. With US assistance these operations were actually conducted by the Peruvian AF in 1995 and the predicted price rises and reductions in use occurred. Careful analyses using past lessons in Peru show that interdiction forces are too small by at least a factor of two—even if the interdiction operations are ideal.

Question. Isn't it much more difficult to interdict small amounts of drugs throughout the vast areas in which they are transited or sold than it is to suppress its production and interdict it in the relatively smaller areas where they are produced?

Answer. It is more difficult to intercept many drug loads in kilo or metric ton sizes than to disrupt large fractions of the cocaine production or transportation systems. Interdiction of the cocaine air transportation systems or production laboratories has been observed to cause large increases in price and reductions in usage and purity. Coca raw products come from small growing areas, are heavily dependent on air transportation, and need efficient production laboratories. A substantial percentage [2] of disruption from attacks on major production laboratories and transportation nodes of the cocaine industry is passed up to the domestic market as large price/purity changes and subsequent reduction in usage. Operations against Colombian production laboratories in the last 15 years have demonstrated increased prices and reduce use, but the most dramatic successes come from interdiction of coca raw material coming out of Peru. Only the sustained air interdiction of coca base out of Peru has caused sustained reductions in purity and use (estimated from the SmithKline Beecham Clinical Laboratory reductions in positive test results). While large reductions in use are possible from severe disruptions of coca growing and production complexes, I am mindful that US law enforcement agencies seize about a third of the total finished cocaine. To continue to be effective, no letup in our current domestic and transit zone activities can be accepted. When the source zone is put under severe pressure, the traffickers must take more risks, which will likely increase their losses relative to today's results.

Question. According to the Office of National Drug control Policy figures, in 1987, 29 percent of the national drug control budget was allocated to demand reduction, 38 percent for law enforcement, and 33 percent for international interdiction. By 1997, those priorities shifted so that 34 percent is for demand reduction, 53 percent for domestic law enforcement, and 13 percent for international programs and interdiction. In short, pro grams to suppress or interdict drug supply went from 33 percent of the overall budget to only 13 percent. In light of recent data that show an increase in drug use incidents since 1992–93, do you think it is logical for us restore

[2] "An Empirical Examination of Counterdrug Interdiction Program Effectiveness," Jan 1997. We showed that large disruptions of coca base were well correlated to substantial domestic price increases and inferred at least a 25 percent drop in positive testing rates from corporate casual users.

the balance in our strategy to greater emphasis on fighting drugs before they reach our shores?

Answer. Restoring balance is important, but concrete programs executed effectively are what are needed. Our research is at a stage where interdiction forces can specify the numbers, technical capabilities, and locations of forces to execute specific operations. These programs are based upon past proven effective programs against trafficker production and transportation axes from the last 15 years. Because an imbalance of resources has occurred, many interdiction opportunities [3] have had to be sacrificed for lack of resources. In 1990, there were sufficient resources to engage simultaneously the four major transportation axes to the US on both the surface and in the air. Today, there are hardly sufficient forces to engage two of four critical axes in the Caribbean and even fewer axes in Colombia. Today our intelligence is better and the interdiction commanders know just what kinds of operations are necessary to achieve success.

Trafficker avoidance tactics must be overcome to successfully suppress the cocaine industry. There are insufficient surveillance capabilities in Colombia because current capabilities provide no more than 8 of 24 hours of coverage per day and the traffickers easily avoid detection as much as 90 percent of the time. There are insufficient tracker, endgame resource, and forward bases in desirable locations. It is hard to envision a successful source zone strategy without the minimal forces necessary to control trafficker flights within Colombia. These forces, when provided in Peru, devastated trafficker transportation of base, forced abandonment of about 50 percent of the illegal fields in Peru (to date), and will eventually lead to the removal of the illegal coca growing in Peru.

QUESTIONS SUBMITTED TO HENRY L. HINTON, JR.

Question. Explain the relationship, if any, between our anti-drug programs over the last decades and the price of cocaine on the streets. In light of the relationship that is well documented by experts—as well as the relationship between price and use—is it fair to conclude that supply reduction efforts are a relatively better investment of anti-drug dollars?

Answer. According to the most recent DEA data, the price and availability of cocaine has remain fairly stable since 1990. To our knowledge there have been no comprehensive studies demonstrating a long term correlation between supply reduction efforts and the price and use of drugs in the United States. A number of studies have recently been conducted, but they all have limitations primarily due to weak data. A recent review by the Institute of Medicine concluded that additional research is needed to resolve the relationship between price and consumption of cocaine. In recognition of the limitations of earlier studies, the National Academy of Sciences is currently studying research on the cost-effectiveness of interdiction activities and plans to issue a report in March 2000.

Question. U.S. troops cannot remain in Panama beyond 1999 unless an agreement is reached with Panama to let them stay; efforts to negotiate such an agreement have floundered. What current counter-drug assets will have to be relocated because of the closure of Howard. To the best of your knowledge, has there been any planning conducted on what to do with these resources if the United States no longer has a base in Panama?

Answer. According to U.S. Southern Command officials, all major counterdrug activities operating out of Howard Air Base in Panama will cease as of May 1, 1999 unless an agreement is reached with Panama to stay. Prospects of such an agreement are currently low. Officials of the Southern Command are currently reviewing the operational consequences of the impending move from Howard, and are searching for other possible forward operating locations. They indicated that moving air assets will significantly impact on current air operations over Colombia. The Southern Command has also recently announced that it plans to combine JIATF-South and JIATF-East into one JIATF to be run out of Key West.

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[3] The first theater-wide integrated operation of all Joint Interagency Task Forces (JIATFs) in 1997 was begun by successful production lab attacks in Colombia, shield around Puerto Rico by Operation Gateway, and Frontier Shield in the Eastern Caribbean. But, no forces were available to execute Caper Focus in the Eastern Pacific and Carib Shield in the Western Caribbean. The sad result of this shortfall in forces allowed the traffickers to adapt and build formidable transportation axes in the Central and Western Caribbean, relying on many go fast boats, as well as in the Eastern Pacific.

Question. As a portion of the overall drug control budget, spending on interdiction and source country actions have declined precipitously since the peak. When examining all of the different reports that GAO has done related to both drug trafficking patterns and the response to this threat, has there been a change in threat or transit methods that would justify this shift in resources?

Answer. As we have noted in our work over the past 10 years, drug traffickers have demonstrated considerable adaptability in thwarting U.S. and host country efforts to reduce the flow of cocaine and heroin available in the United States. The level of resources devoted to interdiction and source country efforts has not altered the price and availability of drugs over time. However, drug experts generally agree that supply reduction efforts have value because some illegal drugs are destroyed and/or seized and the potential cost to drug traffickers increases. Our work suggests that combatting illegal drugs requires a balanced approach involving both demand and supply reduction efforts.

QUESTIONS SUBMITTED TO ADMIRAL JAMES M. LOY, USCG

COST-EFFECTIVE USE OF ANTI-DRUG DOLLAR

Question. What do you consider the most cost-effective use of the anti-drug dollar: domestic demand-reduction activities or international programs to suppress or interdict supply? Isn't it much more difficult to interdict small amounts of drugs throughout the vast areas in which they are transited or sold than it is to suppress its production and interdict it in the relatively smaller areas where they are produced?

Answer. The National Drug Control Strategy calls for a balanced approach to reducing drug use in this country and its destructive consequences. The Strategy focuses on reducing demand, through treatment and prevention, and reducing the supply, through law enforcement and interdiction efforts. The Coast Guard's drug interdiction efforts are part of the overall effort to reduce the supply of drugs in this country and complement demand reduction efforts.

Clearly, attacking the supply of illegal drugs in the source zone is a strategically sound concept and a critical part of the continuum of activity, through the source, transit and arrival zones, required to reduce the availability of drugs in this country. The effectiveness of interdiction operations depends not only on the size of the load, but other factors such as detection of the conveyance, route of movement, and search difficulty. While interdiction in the source zone may seem to provide the best opportunity for interdiction, interdiction in the transit zone often occurs in international air and seas, allowing for operations that are not constrained by issues of sovereignty, national interests, or political and economic realities.

The Administration has placed special emphasis on demand reduction, based on research showing that it is the most cost-effective strategy for reducing drug use.

RESTORING BALANCE TO STRATEGY FUNDING

Question. According to ONDCP's own figures, in 1987, 29 percent of the national drug control budget was allocated to demand reduction, 38 percent for law enforcement, and 33 percent for international and interdiction. By 1997, those priorities shifted so that 34 percent is for demand reduction, 53 percent for domestic law enforcement, and 13 percent for international programs and interdiction. In short, programs to suppress or interdict drug supply went from 33 percent of the overall budget to only 13 percent. In light of recent data that show an increase in drug use incidents since 1992–93, do you think it is logical for us to restore a balance in our strategy to put greater emphasis on fighting drugs before they reach our shores?

Answer. It is imperative that we have a balanced National Drug Control Strategy. Supply and demand reduction programs attack distinct aspects of the drug problem and are mutually supportive. However, the balance among drug control strategies is not measured by their relative shares of the drug control budget.

The Coast Guard's counterdrug strategy, Campaign STEEL WEB, calls for successive surge operations in high threat trafficking regions of the transit zone, each followed by a long term maintenance level of operations intended to prevent a resurgence of drug activity. The largest such operation to date, FRONTIER SHIELD, yielded a large increase in drug seizures around Puerto Rico.

It should not be overlooked that since 1985, past-month use of illicit drugs has dropped by 43 percent. Since 1988, the number of casual cocaine users has been reduced by half. These results speak well of the Federal drug control program.

INCREASING DETECTION AND MONITORING EFFECTIVENESS

Question. In what ways could the U.S. Coast Guard be more effective in its smuggling detection and monitoring role? What additional resources would assist the Coast Guard in carrying out this mission?

Answer. The Department of Defense is the lead agency for the detection and monitoring. The Coast Guard is the lead agency for maritime interdiction and the co-lead for air interdiction. Coordinated interagency and international operations, increased intelligence collection and support, focused pulse operations in high threat trafficking areas and increased sensor/communication capability on current Coast Guard assets are all factors in improving interdiction effectiveness.

The 1999 President's Budget was designed to maintain the Coast Guard's special interdiction operations in the Caribbean and along the Southwest Border, as well as to leverage technology to improve interdiction efficiency.

PLANS FOR GO-FAST BOAT INTERDICTION

Question. What specific plans do you have to address the go-fast boats that smuggle drugs and evade capture through the shallow waters in the Bahamas?

Answer. As part of the surface endgame system, the Coast Guard is using current resources to explore the use of non-lethal force from aircraft to stop go-fast boats and the use of fast pursuit boats to intercept the go-fasts. The Coast Guard is also using improved sensors to classify and track suspect go-fast boats and leveraging improved intelligence to better cue interdiction forces.

IMPACT OF ADDITIONAL INTERDICTION RESOURCES

Question. Interdiction funding has been flat since 1992. If more interdiction resources were to be made available, do you think they could make a substantial difference? Or is the U.S. interdiction effort at the saturation point, where additional resources would do more to complicate existing efforts that provide any benefit?

Answer. The Coast Guard's STEEL WEB campaign has been designed to address the requirements of the National Drug Control Strategy. In particular, the Coast Guard has developed five-year planning requirements in support of targets identified in the Performance Measures of Effectiveness. Operation FRONTIER SHIELD seems to have reduced the observed noncommercial maritime smuggling activity around Puerto Rico.

In the long term, successes in interdiction support the goals of the National Drug Control Strategy and can increase the risk to drug traffickers, their cargoes and resources, forcing them to adopt new and more costly transportation modes and routes.

QUESTIONS SUBMITTED TO DONNIE R. MARSHALL

DRUG INTERDICTION EFFORTS

Question. What would you consider the most cost-effective use of the anti-drug dollar: domestic demand-reduction activities or international programs to suppress or interdict supply? Isn't it much more difficult to interdict small amounts of drugs throughout the vast areas in which they are transited or sold than it is to suppress its production and interdict it in the relatively smaller areas where they are produced?

Answer. We defer a substantive reply on this question to other agencies, since DEA does not set multi-agency priorities within the administration.

DEA's primary mission is to target the highest levels of the international drug trafficking organizations operating today. Moreover, interdiction, in its narrow sense,—physically stopping drugs moving through the transit zone, across international borders, and into the United States—is more properly the responsibility of other agencies. It is through targeting the command and control elements of international drug syndicates that DEA makes its major contribution to the overall interdiction effort. Moreover, DEA makes significant contributions to drug interdiction with its law enforcement efforts within the United States.

My prepared testimony was, therefore, limited to an objective assessment of the law enforcement issues involving organized crime and drug trafficking problems. It would not be appropriate, therefore, for me to comment on the relative merits of demand reduction as opposed to interdiction. It would seem that the issue should be properly framed in terms of how cost effective is each dollar spent in either area, not in terms of a trade off between international and domestic efforts.

Question. According to ONDCP's own figures, in 1987, 29 percent of the national drug control budget was allocated to demand reduction, and 38 percent for law enforcement, and 33 percent for international interdiction. By 1997, those priorities shifted so that 34 percent is for demand reduction, 53 percent for domestic law enforcement, and 13 percept for international programs and interdiction. In short, programs to suppress or interdict drug supply went from 33 percent of the overall budget to only 13 percent. In light of recent data that show an increase in drug use incidents since 1992–93, do you think it is logical for us to restore a balance in our strategy to put a greater emphasis on fighting drugs before they reach our shores?

Answer. We would defer any discussion of ONDCP figures to ONDCP. The Drug Enforcement Administration is not responsible for setting the relative priorities within the counter drug effort, as this is both an interdepartmental issue addressed by the Administration as a whole, and an issue much broader than law enforcement. Likewise, it would not be helpful for the DEA to comment on whether certain balances in resources would be logical or not.

Question. Explain the relationship, if any, between our antidrug programs over the last decades and the price of cocaine on the streets. In light of the relationship that is well-documented by experts—as well as the relationship between price and use—aren't *supply reduction* efforts a relatively better investment of anti-drug dollars?

Answer. DEA believes that the price of illegal drugs does not generally respond to the usual economic laws of supply and demand. The prices of drugs are what they are because the traffickers set them that way. Factors such as relationship of the buyer to the organization, whether the purchase is one time only or part of a large series, location within the country, or efforts by the organization to move into new territories with aggressive marketing all have an effect on the price of drugs. Interdiction operation may have an effect on the availability of quality of drugs in a given region for a short time, but there is no evidence of a consistent trend increasing in price which can be attributed to interdiction operations. The DEA cannot, therefore, support the contention that there is a clear relationship between interdiction and the price or availability of drugs. We would not, therefore, want to comment on the relative efficiencies of interdiction as opposed to law enforcement or demand reduction efforts. We would defer comment to ONDCP.

Question. In what ways could the U.S. military be more effective in its smuggling detection and monitoring role? Is the Defense Department adequately committed to carrying out this role as a priority mission?

Answer. DEA does not participate directly in drug interdiction, and, as such, is not in a position to benefit directly from the U.S. military's detection and monitoring efforts which support interdiction forces. Nor are we in a position to evaluate the effectiveness of these efforts. Other agencies, which rely of military information to carry out their interdiction operations, may be in a better position to comment. DEA would certainly not want to comment, one way or another, on the level of commitment or priorities of another agency in the war on drugs.

Question. What specific plans do you have to address the go-fast boats that smuggle drugs and evade capture through the shallow waters of the Bahamas?

Answer. As mentioned earlier DEA's role in interdiction is limited to developing actionable intelligence and through cooperative inter-agency command and control investigative efforts, provide this information to those agencies directly involved in interdiction.

Through this type of interagency cooperation and exchange of intelligence DEA would agree that the Bahamas remains a central conduit for both air and maritime shipments of drugs moving through the Western and Central Caribbean to the Southeastern United States. Transportation groups located in the Bahamas utilize a variety of methods to move cocaine from the islands to the United States. Colombian traffickers airdrop shipments of cocaine off the coast of Jamaica, or utilize boat to boat transfers on open seas. Jamaican and Bahamian transportation groups then use Jamaican canoes to smuggle their payloads into the Bahamas, frequently using the territorial waters of Cuba to shield their movements. The cocaine is then transferred to pleasure craft which disappear into the inter-island boat traffic, or to go-fast boats able to evade interdiction forces.

Trafficking groups use "go-fast" boats, fishing vessels and pleasure craft to enhance their transportation capabilities. The speed of the "go-fast" boats greatly assists the traffickers in evading law enforcement. The other vessel types are less attractive due to slow speed, although they do have the advantage of easily concealing themselves among the other legitimate vessel traffic in the region.

Traffickers also use twin-engine turbo-prop aircraft, with long range capability and Global Positioning Systems, which pinpoint drop zones in mid ocean. Cellular telephones are used to minimize their exposure to interdiction assets and ensure the smooth transfer of their cargo of cocaine for shipment into the United States.

To counter the drug threat in the Northern Caribbean, the United States Government initiated Operation Bahamas and Turks and Caicos (OPBAT) in 1982. This joint interdiction operation comprised of Bahamian and Turks and Caicos law enforcement, DEA, U.S. Customs Service, U.S. Coast Guard and Department of Defense personnel is headquartered in Nassau, Bahamas. DEA is responsible for liaison with other participating agencies and governments. The 24-hour operations center is manned by U.S. Coast Guard Personnel. OPBAT has had enormous success over the years, seizing thousands of kilograms of cocaine and literally driving transportation groups out of business in the Northern Caribbean.

OPBAT has been successful, even considering the host country lack of capability to perform successful interdiction operations. Air interdiction, primarily with helicopters operating out of the U.S. Coast Guard Station in Clearwater and from Fort Stewart, Georgia, is becoming insufficient without adequate surface interdiction capability. Countering the threat from go-fast boats is a primary focus of an ongoing effort to keep apace of trafficking in the region.

In order to effectively counter drug trafficking, law enforcement and interdiction forces should have resources comparable to the resource available to traffickers. Making "go fast" boats available to OPBAT, to be operated by either the U.S. Coast Guard or by the Bahamians, would be a monumental enhancement to interdiction. DEA would not be involved in the operation of these vessels, because, as previously stated, we lack either the mission or the capability for maritime interdiction.

Question. Some experts say the best way to disrupt the production and supply of drugs is to raise the risk that traffickers run. Isn't it logical that our best hope of raising those risks is by focusing our limited resources in the relatively smaller target area in the *reducing zones* rather than the huge transit zone or on every American street corner?

Answer. DEA does not set the relative priorities in the multi-agency counter drug effort. Nor are we in a position to comment on the relative merits of different resource allocations. We would defer to ONDCP for a direct answer to this question.

From the perspective of drug law enforcement, however, DEA views drug trafficking as a seamless continuum. The domestic and international aspects of the trafficking organization are inextricably woven together. Therefore, DEA believes that the United States must be able to attack the command and control functions of the international syndicates on all fronts which are directing the flow of drugs into this country. Focusing the attention of law enforcement on the criminals who direct these organizations is the key to combating international drug trafficking. DEA directs its resources against the leaders of these criminal organizations, seeking to have them located, arrested, prosecuted, and given sentences commensurate with the heinous nature of their crimes.

Question. The United States has provided extraordinary resources (helicopters, technical assistance, etc.) to support Mexico's anti-drug efforts. In addition, extraordinary Customs and Border Patrol resources have been deployed on the U.S.-Mexican border in the last several years. What results do we have to show for this investment? Are cocaine seizures up or down in the last 12 months, and by how much? Have any Mexican kingpins been prosecuted and sentenced for drug crimes? Have any drug criminals been extradited to the United States?

Answer. The Drug Enforcement Administration is not in a position to comment on the results of Border Patrol and Customs Service efforts. As to seizures, we can report that the Center for Drug Control Planning (CENDRO) of the Mexican Attorney General's Office (PGR) has provided seizure and eradication statistics for calendar year 1998.

According to these figures, when compared to CY–97, seizures for the first seven months of CY–98 were down for cocaine by 42%, opium gum by 47%, and marijuana by 14%, but up for heroin by 30%.

Unfortunately the Government of Mexico has made very little progress in the apprehension of known syndicate leaders who dominate the drug trade in Mexico and control a substantial share of the wholesale cocaine, heroin, and methamphetamine markets in the United States. During the last twelve months, there has been no significant progress by the Government of Mexico in developing investigations which would lead to the prosecution and incarceration of any leaders of the Mexican drug cartels. In January 1998, the Government of Mexico indicted sixty-five persons associated with the notorious Amado Carrillo-Fuentes organization, under the new Or-

ganized Crime Bill. To date only seventeen (17) lower-echelon associates have been arrested in Mexico. Mexican authorities have been unable to locate and apprehend any of the principal associates named in this indictment. In June 1998, the Government of Mexico arrested the leaders of an important methamphetamine trafficking organization, Jesus and Luis Amezcua-Contreras. However, all charges against these defendants were soon dropped by a Mexican judge. The Amezcua-Contreras remain incarcerated only because of a Provisional Arrest Warrant issued at the request of the U.S.

During the last twelve months, the Government of Mexico has returned three (3) U.S. citizens on drug trafficking charges. However, there have been no extraditions to date of Mexican nationals from Mexico to the U.S. pursuant to provisional arrest requests for drug-related charges.

Question. As a portion of the overall drug control budget, spending on interdiction and source country actions have declined precipitously since the peak. In your opinion, is this because the domestic threat is proportionally greater now than it was then?

Answer. DEA does not set the levels of resources within the overall drug control budget, and, therefore, cannot speak to why the portion spend on interdiction has declined. We would defer such an answer to ONDCP.

From DEA's perspective, as mentioned earlier, we view drug trafficking is a seamless continuum. The domestic and international aspects of drug the trafficking organizations, which are our primary target, are inextricably woven together. We address the threat from these organizations by coordinating our domestic and foreign operations into a unified effort. Domestic and foreign efforts are not mutually exclusive.

The highest levels of the international drug syndicates are directly connected to the street level dealers in American neighborhoods. The borders of the United States are essentially invisible to these syndicates, allowing them to penetrate into the heart of the country and undermine our way of life. Our law enforcement efforts must be up to the challenge posed by the syndicates. We must be able to attack the command and control functions of the international syndicates which are directing the organized drug trafficking activities in this country.

We confront the seamless continuum of international drug trafficking with a seamless continuum of law enforcement. By attacking the drug trafficking organizations' command and control function, DEA is able to arrest the leadership of these organized crime groups in the U.S., including the surrogates who act as their wholesale outlets, and will be able file provisional warrants for the arrest of the organizations leadership hiding in foreign countries. With this strategy of mounting strategic strikes on command and control, DEA will be able to degrade the ability of the organizations to conduct business and impede their ability to import drugs into the United States.

Question. Interdiction has been flat since 1992. If more interdiction resources were made available, do you think they would make a substantial difference? Or is the U.S. interdiction effort at the saturation point, where additional resources would do more to complicate existing efforts than provide any benefit?

Answer. Since DEA does not have an interdiction mission, as strictly defined, we are not in a position to answer this question directly. We would defer to the agencies that do have an interdiction mission We can tell you how we would employ such additional resources as those earmarked for DEA in the Western Hemisphere Bill.

- *MERLIN—$8,272,000 in special program funding*

  Installation of the MERLIN classified computer infrastructure throughout DEA offices in the source and transit countries is the single most important enhancement that can be made to enable the flow of critical intelligence to and from these regions and the United States.

  Present funding limits expansion of this critical system to only the DEA Mexico City Office. To date, DEA has invested a total of $1,000,000 in MERLIN expansion to overseas locations. The $8,272,000 would cover accelerated installation of MERLIN into 10 source and transit country offices.

- *Narcotics Enforcement Data Retrieval System (NEDRS)—$2,400,000 in special program funding*

  The purpose of this computer-based data mining software is to search substantive data information systems automatically in order to retrieve certain data elements, such as key names, words, specific locations, geographic names, phrases, etc., associated with telephone numbers and drug trafficking events. Initially, NEDRS will continually search GESCAN message traf-

fic for telephone numbers and associate the telephone numbers to specific cables. Once a positive link has been identified, it will determine if the telephone numbers have been cited in previous case reports, and if so, which ones. NEDRS will develop into a more sophisticated program by adding word/phrase searches until it evolves a capability to search for event-driven and location related scenarios. A total of $350,000 has thus far been dedicated to this project. DEA would use the additional $2,400,000 for continued project development.

- *Special Agent and Investigative Support Personnel—169 positions (110 Special Agents) and $40,213,000, including $2,000,000 in special program funding*

This funding would support 100 additional Special Agent positions, 9 Intelligence Research positions, 7 Diversion Investigator positions 2 Chemists and 41 support positions DEA international offices. The Special Agent positions would be allocated as follows:

Allocation of DEA Special Agent Positions

Location	Number of Positions
Mexico	25
Colombia	10
Bolivia	7
Peru	2
Brazil	5
Argentina	3
Chile	1
Paraguay	2
Venezuela	3
Belize	1
Panama	1
El Salvador	1
Nicaragua	1
Haiti	1
Dominican Republic	3
Domestic Posts in Support of International Programs	33
Total	100

The 33 positions requested for domestic posts of duty will be assigned to those cities (other than the big 5 of New York, Los Angeles, Miami, Houston and Chicago) that have been identified by our Special Operations Division as being utilized by the major crime syndicates from Mexico and Colombia as bases for their command and control operations or as regional warehousing and distribution points.

The seven diversion investigators will be deployed in the following countries to address the flow of precursor chemicals to Mexico and the source countries in South America: Peru; Peoples Republic of China; Vienna, Austria; San Jose, Costa Rica; Panama; Mexico and Guatemala. These positions will play a critical role addressing the methamphetamine problem affecting our nation.

Our operations throughout the source and transit zones are anchored in our overall strategy of building cases against the organized criminal groups that control the flow of heroin, cocaine and methamphetamine to the United States. For example, the 10 additional agents for the Bogota Country Office will be tasked specifically with working with the Colombian National Police (CNP) to fully identify and build cases on the new groups who have replaced the Cali Syndicate in controlling cocaine production in Colombia and the shipment of cocaine to Mexico and the Caribbean. In Bolivia, the additional agent personnel will be assigned to work with Bolivian police teams to further exploit our wire intercept program and arrest major Bolivian and Brazilian traffickers who are becoming increasingly involved in the movement of both cocaine base and HCL out of Bolivia and through Brazil. Brazil is a very active conduit for cocaine base shipped from Bolivia to Colombia and for cocaine HCL shipped to the Untied States and to Europe.

- *Wire Intercept Equipment—$4,500,000 in Special Funding*

To augment our wire intercept programs in the source and transit zones, $4,500,000 would be used for the purchase of wire intercept equipment. The switch to digital communications and the sophistication of traffickers in their efforts to conceal their communications, as well as the expansion of our intercept programs in all of the source countries, has significantly increased our demand for this equipment. This appropriation will also provide us with a limited, mobile capability to address our demand for wire intercepts world wide.

- *Technical and Aviation Equipment—$3,515,000 in Special Program Funding*

Over the course of the past year, there has been a significant increase in the quantity of cocaine and heroin transiting the Caribbean Basin. Many Colombian groups, particularly those who have risen to power since the fall of the Cali syndicate, have returned to traditional trafficking routes in the Caribbean to move their product to market. DEA has identified four major organizations based on the Northern Coast of Colombia that have deployed command and control cells in the Caribbean Basin to funnel tons of cocaine and heroin to the U.S. each year. As these Colombian groups re-establish their ties with their Caribbean confederates, increasingly larger shipments of drugs, bound for the U.S., are transiting the region. Seizures of 500 to 2,000 kilograms of cocaine are now common in and around Puerto Rico and the Dominican Republic.

In an effort to address this growing threat, DEA received a significant enhancement for the Caribbean Basin in its FY 1998 appropriation, including 60 Special Agents and $34.2 million. In FY 1999, the DEA is requesting an additional 42 Special Agents and $5.6 million to target Caribbean based traffickers operating in major cities along the East Coast of the United States. Even with the positions and funding provided in last year's appropriation and resources requested in FY 1999, there is still a growing need for advanced technical and aviation equipment for use in regional operations.

Current unfunded equipment requirements for the Caribbean, which would be addressed by this bill, include:

Technical Equipment—$265,000

—$150,000 for 20 DoD-compatible portable radios (with water resistant packages and program loaders) to provide Op BAT personnel with communications capability with support aircraft while on deployments to remote islands or aboard vessels.

—$65,000 for three rigid inflatable boats with motors to be deployed from larger military vessels allowing quick response and maneuverability during chase scenarios.

—$25,000 for three INMARSAT mini satellite telephones (one marine model with stabilized antenna) for use while on remote islands.

—$25,000 for six sets of night-vision goggles for use on maneuvers.

Aviation Equipment—$3,250,000

—$2,000,000 for two WestCam with low light capabilities for installation on existing aircraft to provide surveillance support for operations in the Bahamas and Puerto Rico.

—$1,000,000 to upgrade Southeastern Airwing's communications equipment to SATCOM.

—$250,000 to install floats on the two helicopters provided in the 1998 budget for Puerto Rico.

Question. Over the past few years, Congress and Customs have worked hard to increase Customs presence and enforcement capability along the Southwest border. Some of these resources have come from other areas of the country. Do you believe Customs current resources along the SW border are adequate? Over staffed? Should some of these resources be shifted back to locations such as Miami or New York, where they were taken from?

Answer. DEA would not be in a position to comment on the adequacy of U.S. Customs resources to their mission. While we believe that the war on drugs cannot be fought entirely from a static defensive line along an International Border, but rather must be fought from a Hemispheric perspective, we would defer to the Customs Service for comment on the relative effectiveness of Customs resources along the border as opposed to other posts.

QUESTIONS SUBMITTED TO THE HONORABLE BARRY MCCAFFREY

Question. In light of recent data that show an increase in drug use incidents since 1992–93, do you think it is logical for us to restore a balance in our strategy to put greater emphasis on fighting drugs before they reach our shores?

Answer. Just about every aspect of the nation's drug problem has remained stable since 1992–93 with the exception of juvenile drug-use rates, which have increased by 50 percent. Increasing cocaine and heroin availability, however, is not the driving force behind the increase in juvenile drug-use consumption rates. According to the latest *Monitoring the Future* survey, just 0.6 percent of seventeen-year-olds were using cocaine in 1997. Marijuana smoking accounts for more than 90 percent of all juvenile drug use.

Question. Explain the relationship, if any, between our anti-drug programs over the last decades and the price of cocaine on the streets. In light of the relationship that is well-documented by experts—as well as the relationship between price and use—aren't supply reduction efforts a relatively better investment of anti-drug dollars?

Answer. The objective of the *National Drug Control Strategy* is to reduce U.S. drug consumption through both demand-reduction and supply-reduction. Supply-reduction efforts increase cocaine production costs by raising the cost to traffickers by seizing drugs and assets and incarcerating dealers and their agents. The increased production costs raise retail cocaine prices and thus indirectly reduce consumption. Demand-reduction programs reduce consumption directly without going through the price mechanism.

Each of these approaches is included in the *National Drug Control Strategy* because neither is the perfect answer; each approach has specific constraints. Supply-reduction efforts are limited by our dependence on foreign-government cooperation and the case with which traffickers can shift operating methods and locations to avoid effective law enforcement action. Demand-reduction efforts are limited by locating the user, linking each user with a treatment program, deterring new-users, and sustaining abstinence.

The *National Drug Control Strategy* focuses on demand-reduction programs, because these more directly reduce consumption than supply-reduction programs. Supply-reduction programs do produce local effects such as cocaine shortages in Columbia due to the Andean air bridge operation, but it appears that the distribution system as a whole, compensates over time for these perturbations through shifts in cultivation, production and smuggling patterns and depletion of stockpiles to continue to meet the user's demand.

Effective supply reduction programs restrict availability and ensure high prices for illegal, harmful drugs. Over the last decade, supply reduction programs have kept prices high enough that the money addicts pay for their drugs weighs more than the drugs themselves. Restricted availability and high prices help hold down the number of first-time users; prevent aggressive marketing of illegal drugs to the most at-risk population by criminal drug organizations; and reduces the human, social, and economic costs of drug abuse.

At the same time, experience has shown that powerful criminal organizations with global reach can react rapidly to effective law enforcement operations and quickly alter their operating locations and methods to still meet market demand over the long term. Demand reduction programs are critical to the long term reduction of drug abuse and its consequences.

A number of studies have purported to establish the relative cost effectiveness of various drug control programs. ONDCP believes that none of these studies are definitive. A balanced strategy that includes both supply and demand reduction programs is our best investment in drug control for our communities.

Question. U.S. troops cannot remain in Panama beyond 1999 unless an agreement is reached with Panama to let them stay; efforts to negotiate such an agreement have foundered. What back-up plans has the Administration developed to substitute for Howard Air Force Base in Panama as a platform for U.S. anti-drug activities in the region? Will these alternatives be more costly than operating from Panama or will these alternatives impact on the effectiveness of anti-drug operations? For example, aren't cost and effectiveness adversely affected if we have to build a new facility or if we have to use a site further away from the operating area, which is principally in the Andean region?

Answer. The Department of Defense (DoD) is working the post Panama counterdrug issue. In coordination with the Department of State, DoD is surveying forward operating locations (FOLs) as alternatives to Howard Air Force Base in

Panama (which could close as early as May 1999). No single FOL can replace the ramp space, runway, and facilities available at Howard AFB. The final operational and cost impacts on counterdrug operations cannot be determined until specific FOLs are identified. Additionally, there will be costs for relocating units currently based in Panama and for merging Joint Interagency Task Force (JIATF) South with JIATF-East in Key West, Florida. The costs associated with relocation of units and merging of the JIATFs cannot completely be determined until all relocation plans are finalized. It is important to the success of the *National Drug Control Strategy* that DoD and other drug control agencies provide continued and uninterrupted support to the counterdrug effort in the region.

Question. Some experts say that the best way to disrupt the production and supply of drugs is to raise the risk that the traffickers run. Isn't it logical that our best hope of raising those risks is by focusing our limited resources in the relatively smaller target area in the *producing zones* rather than the huge transit zone or on every American street corner?

Answer. Yes. Indeed, this is the logic we lay out in the *National Drug Control Strategy.* The theory that raising the risk traffickers run will disrupt production and supply is being demonstrated by the U.S.-coordinated air bridge denial campaign in South America. We have succeeded in disrupting Peru's cocaine economy by raising risk and transportation costs and depressing wholesale coca prices in Peru. However, source country programs have limitations. First, political and economic concerns often prohibit large scale interdiction or eradication campaigns. Second, drugs seized and destroyed in source countries are relatively inexpensive to replace; for this reason, source zone seizures have less impact on U.S. street prices than transit zone seizures. We must vigorously pursue traffickers at every link in the drug cultivation-production-transportation chain. Our collective efforts in the source, transit, and arrival zones, and within the U.S. result in the seizure of more 250–300 metric tons of cocaine each year.

Question. What specific plans does the Administration have for controlling the illicit flights carrying drugs from producing zones in Colombia to the northern coast (which is the staging area for transit to the United States)?

Answer. DoD continues to work with the Colombian Air Force to improve its air interdiction capabilities. The emergency supplemental bill provides funding to upgrade Colombia's fleet of A–37s, the aircraft used for air interdiction. Additionally, the U.S. government is in the process of extending the runway at the Tres Esquinas Base in southern Colombia to accommodate the A–37s, making it possible to base the air interdiction assets closer to the problem areas and improve operational capability.

DoD continues to operate two ground-based radars in Colombia and plans to install a third in the Guaviare region in the near future. Information from these radars is shared with the Colombians. The relocatable-over-the-horizon radar (ROTHR) in Puerto Rico is scheduled to come on line in 1999 and will provide enhanced detection and monitoring capability of Colombian airspace. DoD and U.S. Customs also provide detection and monitoring overflights in coordination with the Colombian Air Force.

DEA and the Colombian National Police (CNP) continue to implement and expand their successful aircraft control program which requires all non-commercial aircraft to be inspected and registered every six months. The CNP have already seized many trafficker aircraft using this mechanism.

These initiatives, combined with the general effort to regain Colombian government control over the coca-growing regions in southern Colombia will negatively impact the traffickers' ability to move cocaine by air within Colombia.

Question. What plans does the Administration have for the replacement of anti-drug facilities in the Guaviare region in the coca-producing zone of Colombia?

Answer. In the wake of the destruction of the anti-narcotics base in Miraflores, Guaviare, the government of Colombia and the National Police must now decide if they want to reconstruct that base, construct a new base, or provide security upgrades to other existing bases in the region. The U.S. government is sending security survey teams to Colombia in November and December 1998 to help the Colombians plan what they want to do. There is funding in the Fiscal Year 1998 INL budget to support security upgrades in regional bases.

Question. The United States has provided extraordinary resources (helicopters, technical assistance, etc.) to support Mexico's anti-drug efforts. In addition, extraordinary Customs and Border Patrol resources have been deployed on the U.S.-Mexi-

can border in the last several years. What results do we have to show for this investment?

Answer. Both the U.S. and Mexican governments have invested considerable financial, material and personnel resources to combat drug trafficking, production, and abuse. Although U.S. support constitutes only a small percentage of the overall anti-drug effort there, it has brought about significant positive results. The fight against drug trafficking is not limited to prosecuting cartel leaders nor increasing eradication and seizure statistics. This is a complex problem that necessitates long-term solutions aimed at building sustainable capacity. Institutional capacity building implies the remodeling of law enforcement bodies, the legal system, the educational bodies, and the kind of cooperation that enhances rather than inhibits political will. The U.S. inter-agency is working with Mexico to build these institutions, as well as improve communications and cooperation between the two governments.

Various coordination mechanisms, including the Binational Commission, the High Level Contact Group, and the Senior Law Enforcement Plenary, as well as cooperation between Mexican and U.S. law enforcement counterparts, have helped to further a working relationship. This relationship has fostered cooperation in law enforcement training, information exchange, legal issues of mutual concern, chemical control, anti-money laundering, and asset forfeiture. Aided by these relationships and ongoing consultations, the Mexican government has enacted a forceful Organized Crime Law, Anti-Money Laundering legislation, and asset forfeiture reform, as well as established a chemical control regime.

Countemarcotics assistance to Mexico is also provided by the DoD and is used mainly by Mexico to strengthen eradication capability. The U.S. government has made a concerted effort to support Mexico's eradication program through technical assistance programs. The 73 helicopters provided by DoD to Mexico were a significant part of this effort. While the helicopter support package to the Mexican Secretariat of National Defense (SDN) had the highest cost estimate associated with U.S. counter-drug support, it should be noted that the aircraft and parts were provided as a drawdown from existing DoD stocks, not from new funding. The helos are part of an extremely effective eradication program which has reduced potential heroin production in Mexico from 6 tons in 1995 to 4 tons in 1997 and kept 2500 tons of marijuana from the US market in 1997. Mexico has successfully integrated the helicopters into its Air Force and has employed the aircraft for eradication operations, reconnaissance missions, and the transport of troops in support of its comprehensive counterdrug efforts. DoD has also conducted extensive training and technical assistance programs, which are the focus of most of our bilateral program and account for the majority of our funding. The U.S. has trained hundreds of Mexican police and military personnel for counternarcotics support missions.

The U.S. and Mexico have both been working to improve their national capabilities to combat international drug trafficking and transborder smuggling, as well as to improve communications and cooperation between our personnel along our shared border. The increase in U.S. Customs personnel and resources in the southwest border area over the last year has contributed significantly to interdiction capability and resulted in a higher rate of drug seizures. Stopping drugs and other illicit contraband from crossing the border is a daunting challenge. While inspecting every vehicle that crosses the border would lead to more seizures of illicit drugs and other contraband, it would also inhibit legitimate commerce. U.S. Customs is working to employ more technical equipment along the border that will serve to enhance our inspection ability without disrupting the vast majority of cross-border traffic involving legitimate trade.

The increase in U.S. Customs personnel along the border has also boosted investigations in this area. The primary investigative goal of the agency is to target the drug organizations' "kingpins" that are ultimately responsible for orchestrating and smuggling the transportation of narcotics. In Fiscal Year 1998, six individuals identified as Mexican drug "kingpins" were indicted in the United States as a result of U.S. Customs investigations. An extradition request has been filed with Mexico on one of those individuals and an extradition request is pending on another.

Question. Are cocaine seizures up or down in the last 12 months, and by how much?

Answer. From January to August of 1998, cocaine seizures in Mexico were higher than seizures for the same periods of 1994, 1995, and 1996, but are lower than seizures for the same period of 1997. Mexican seizures of heroin, however, are up 23 percent.

Cooperation along the border has been augmented by the deployment of additional U.S. Customs resources to the Southwest border, which has resulted in a significant increase in the amount of narcotics seizures and arrests made in that area.

Cocaine seizures made by Customs along the border during Fiscal Year 1998, as well as seizures of every type of drug, have increased. This year so far there has been a 27 percent increase in the total number of seizures.

Question. Have any Mexican kingpins been prosecuted and sentenced for drug crimes?

Answer. Law enforcement cooperation between the U.S. and Mexico has led to the arrest in Mexico for prosecution of several leaders and other members of the major Mexican trafficking organizations including: Juan Garcia Abrego and Oscar Malherbe of the Gulf Cartel; Luis and Jesus Amezcua and Jaime Ladino of the Amezcuas Methamphetamine Group; Arturo "Kiti" Paez Martinez of the Juarez Cartel, and a top lieutenant of the Juarez Cartel, Noe Brito Guadarrama. The Amezcua-Contreras remain incarcerated due to a Provisional Arrest Warrant issued at the request of the U.S. We are concerned, however, that the pace of drug prosecutions in Mexico has not increased over last year. Increased law enforcement cooperation may lead to more arrests but does not necessarily lead to convictions and sentences. This is due in part to a provision of Mexican law, the "amparo" system, which allows a defendant to indefinitely appeal a charge. It is also due to a judiciary that is largely independent of law enforcement and cannot be relied upon to provide consistent and informed findings. For this reason both the State and Justice Departments emphasize training for the Mexican judicial system through the Administration of Justice (AOJ) Program and the International Criminal Investigative Assistance Program (ICITAP).

Progress was made in January 1998, when the government of Mexico indicted sixty-five persons associated with the notorious Amado Carrillo-Fuentes organization, under the new Organized Crime Bill. Seventeen lower echelon associates were also arrested. Mexican authorities have not yet located and apprehended any of the principal associates named in this indictment.

Between September, 1997 and March, 1998, the Mexican counterdrug effort managed to dismantle one of Mexico's most infamous drug trafficking criminal organization's in Tijuana known by their alias, "Los Gueros." Other arrests this year include:

Hugo and Rene Ambriz Duarte on January 10, weapons suppliers to the Juarez cartel;

General Jorge Mariano Maldonado and Captain Rigoberto Silva Ortega on January 18, associated with the Juarez cartel;

Juan Alberto Zepeda Novelo on March 19, money launderer for Amado Carrillo;

On May 27, Ismael Higuera Jr., son of Ismael Higuera Guerrero "El Mayel," a lieutenant in the Arellano Felix Organization, was apprehended;

On June 7, Angel Salvador Gomez Herrera and Oziel Cargenas Guillen, members of the Gulf cartel, were apprehended.

There have been individual cases where "amparos" are overturned and defendants punished according to the gravity of their crimes. Prison sentences for arms and drug trafficking by Pedro and Oscar Gerardo Lupercio Serratos were confirmed and they will remain in jail eight years and six months. Imprisonment orders were also confirmed for Rodrigo Bon Villegas, a.k.a. "El Roque," associated with the Arellano Felix Organization. On September 19, appeals presented by former Mexican drug czar General Jesus Gutierrez Rebollo and his assistant, Captain Javier Garcia Hernandez were denied.

In May, nine members of the Juarez cartel were sentenced on charges based on the Organized Crime Law with prison terms ranging from 11 to 21 years. In July, General Alfredo Navarro Lara, who was associated with the Arrellano Felix Organization and charged with offering a $1 million per month bribe to an Attorney General's Office official, was sentenced to 20 years and seven months of imprisonment. Finally, in August Hector Luis Palma Salazar, a.k.a. "El Guero Palma," received a prison sentence for drugtrafficking offenses. He will serve his 33 years in a maximum security prison.

Question. Have any drug criminals been extradited to the United States?

Answer. During the last twelve months, the government of Mexico has returned three U.S. citizens on drug trafficking charges. However, there have been no extraditions to date of Mexican nationals pursuant to provisional arrest requests for drug-related charges. A total of 15 individuals have been extradited by Mexico to the U.S. on narcotics crimes, and 28 individuals have been found extraditable by Mexico but are pursuing legal appeals.

Question. As a portion of the overall drug control budget, spending on interdiction and source country actions have declined precipitously since the peak. In your opinion, is this because the domestic threat is proportionally greater than it was then?

Answer. Administration requests for spending on interdiction and source country actions have been closely paralleled by congressional appropriations in the past six years. This is reflective of the close consultation between the executive and legislative branches on national drug control policy. The *National Drug Control Strategy* calls for a balanced approach for reducing drug use and its destructive consequences. However, the balance among drug control strategies is not measured by their relative shares of the drug control budget. Recently, the Administration has placed special ephasis on demand reduction based on research showing that is the most cost-effective strategy for reducing drug use. The federal drug control strategy has produced some good results. Since 1985, past month use of illicit drugs has dropped by 43 percent. Since 1988, the number of casual cocaine users has been reduced by half.

Question. Interdiction funding has been flat since 1992. If more interdiction resources were to be made available, do you think they could make a substantial difference? Or is the U.S. interdiction effort at the saturation point, where additional resources would do more to complicate existing efforts that provide any benefit?

Answer. Interdiction funding has not been flat since 1992. Between Fiscal Year 1992 and Fiscal Year 1995, interdiction funding declined from $1.96 billion to $1.28 billion. After Fiscal Year 1995 budgets for interdiction funding increased to $1 .805 billion as requested in Fiscal Year 1999.

The President's international drug control strategy and programs have been quite successful over the last two years. Source Zone programs contributed to a 40 percent reduction in coca cultivation in Peru from 1995 to 1997 and up to a 15 percent reduction in global potential cocaine production in 1997. In the Transit Zone, U.S. supported programs achieved record cocaine seizures (86 tons) in 1997. As a result of these programs, less cocaine is available today in the United States than two years ago.

Despite these successes, we face significant source, transit, and arrival zone interdiction challenges. Traffickers continue to move significant quantities of illegal drugs into the United States using a great variety of routes and methods. Their use of fast boats and commercial maritime traffic continues to increase. The expansion of cultivation in Colombia offers both international drug control and national security challenges to the United States.

Accomplishment of our national drug control goals and performance targets in the source and transit zone requires long term commitment of resources to support a unifying strategic vision. We can substantially reduce the availability of drugs in the United States over the next ten years. In the cocaine source countries, we currently enjoy proven programs supporting host governments with the political will to inflict long term damage to the illegal cocaine industry. We should continue to build on this source country success through bipartisan support of the resources needed to implement the President's *National Drug Control Strategy.*

Question. There is continual debate about the volume and kind of support we provide Colombia to aid their actions in the [sic] their fight against narcotics traffickers. What do you feel would be the one most important item we could provide the Colombians that would make the biggest difference?

Answer. There are no silver bullets to deal with the supply side of the drug problem because drug trafficking is a lucrative business, and it's worth the traffickers' efforts to work around any single initiative we could come up with. Only through a comprehensive, coordinated, balanced approach that includes eradication, interdiction, alternative development, successful investigations and prosecutions, precursor and essential chemical controls, asset forfeiture, extradition, and anti-money laundering and anti-corruption measures will we, working cooperatively with the Colombians and others in the region, be able to defeat the narcotraffickers and keep them from simply changing their methods to evade our counterdrug efforts.

That being said, the new government of Colombia has just developed a comprehensive national drug policy as well as an evaluation of resource requirements to enable the military to become fully engaged in Colombian counterdrug efforts. The Pastrana Administration has said on several occasions that they would like the U.S. government to balance its counterdrug assistance because the current imbalance towards the police is causing interservice rivalry and impeding their ability to implement a truly coordinated joint counterdrug effort. Given the substantial support to the Colombian National Police in the Emergency Supplemental bill and the regular Fiscal Year 1999 INL budget, ONDCP believes that we should consult with

our Country Team in Bogota and the Government of Colombia to prioritize the military counterdrug resource requirements in accordance with goals and objectives in their new national strategy and ours. This will enable us to focus our assistance on high-impact items, and will avoid the problem of having people in Washington define the Colombian counterdrug force structure and resource requirements.

QUESTIONS SUBMITTED TO DR. A. REX RIVOLO

Question. What do you consider the most cost-effective use of the anti-drug dollar: domestic demand reduction activities or international programs to suppress or interdict supply? Isn't it much more difficult to interdict small amounts of drugs throughout the vast areas in which they are transited or sold than it is to suppress its production and interdict it in the relatively smaller areas where they are produced?

Answer. Empirical evidence and basic economic theory clearly support the hypothesis that interdiction of illegal drug production and transportation nodes within the source nations is a very effective use of anti-drug dollars. This is particularly true in an environment where drug use incidence is rising, as it is today. Many demand-reduction programs, such as treatment, even if highly effective (which they are not) cannot effect incidence whereas interdiction efforts can. This alone argues in favor of interdiction programs during times of high incidence and in favor of demand reduction programs during times of low or declining incidence. It must be emphasized that compiled government and non-government data clearly show incidence rates rising for all drugs since 1993 and in the case of heroin, the rate is now at an all time high.

Evidence supporting the hypothesis that source country interdiction can be highly cost-effective can be found in the records of the Drug Enforcement Administration, the Department of Health and Human Services, the Department of Defense drug testing program, and civilian drug testing programs. The evidence derived from these sources clearly shows that direct physical intervention at the source acts to create risk within the production and transportation infrastructure of the illegal drugs industry resulting in immediate and considerable benefits within the U.S. The first of these benefits is a lower purity of illegal drugs available on the streets. This results in fewer medical emergencies and associated deaths. A second benefit is significantly increased street prices. This acts to reduce both prevalence and consumption through economic forces thus further reducing the medical consequences. A third benefit is a significant depression of farm prices for the agricultural raw materials in the growing regions. The reduced agricultural prices serve to induce growers in those regions toward alternative development programs.

This is not academic speculation based on the sophistry of the econometric models now popular in much of the anti-drug research community. All of these effects mentioned have been observed empirically. From mid-I 989 to the beginning of 1991, the aggressive interdiction efforts focused within Colombia and in the Caribbean resulted in a 50 percent reduction of street cocaine purity and an effective price increase of 100 percent. During this time, hospital emergency room visits linked to cocaine use decreased by 50 percent as did the number of deaths linked to the drug. At the same time both the military and civilian drug testing programs saw a systematic drop in the cocaine positive test rate of comparable magnitude. A second example began in early 1995, when the Peruvian government, with assistance from U.S. agencies, began a systematic attack on the illegal traffic flying between Peru and Colombia. Within 6 months of the start of the Peruvian interdiction policy, street cocaine purity dropped, street prices increased and prices for coca leaf in Peru's growing regions plummeted. The commensurate decreases in medical consequences and drug testing positive rates were also clearly observed across all communities in the U.S. In fact, these consequences were fully predicted well in advance of realization thus providing evidence that the mechanisms for the effectiveness of source interdiction are straightforward and well understood.

It is essential to understand that for interdiction efforts to be successful they must be properly focused where the illegal drug industry is most vulnerable. Currently, this is in the growing and refining centers within Colombia. As a result of previous source county interdiction successes, both the cocaine industry and the budding Colombian heroin trade are concentrating in remote areas of Colombia making them more dependent on air transport. It is here that future interdiction efforts must be focused. Part of the source interdiction strategy must be to assess where and when the pressure must be applied. The effectiveness of the strategy comes from striking when and where the drugs are concentrated before they are dispersed to a large number of "middle men" in an ever-expanding geographic area.

Question. According to the Office of National Drug control Policy figures, in 1987, 29 percent of the national drug control budget was allocated to demand reduction, 38 percent for law enforcement, and 33 percent for international interdiction. By 1997, those priorities shifted so that 34 percent is for demand reduction, 53 percent for domestic law enforcement, and 13 percent for international programs and interdiction. In short, pro grams to suppress or interdict drug supply went from 33 percent of the overall budget to only 13 percent. In light of recent data that show an increase in drug use incidents since 1992–93, do you think it is logical for us restore the balance in our strategy to greater emphasis on fighting drugs before they reach our shores?

Answer. A balanced three-axes approach to U.S. drug policy encompassing demand reduction, law enforcement, and supply reduction programs is considered by most scholars and lay persons alike to be both prudent and optimal. However, this is not correct under all circumstances. During times when drug use incidence rates are high, or increasing, both law enforcement and supply control methods such as source country interdiction can have an advantage in that they both are capable of directly decreasing incidence through economic forces whereas treatment programs can not. During such times both supply reduction and law enforcement programs should be favored over demand reduction programs such as treatment. At times when incidence rates are low, or decreasing, treatment should be favored as any success in this mode has long-lasting consequences which eventually can reduce prevalence to a nominal zero. It must be noted however, that this statement assumes treatment programs have some modest level of effectiveness.

It must be pointed out that in 1993, after a monotonic 10-year decline, the incidence rates for cocaine, heroin and marijuana all reversed and are now growing at almost record pace. The rate for heroin is now twice the previous all time record high. The reversal in incidence rates can be directly attributed to the reduced emphasis on interdiction efforts before the conditions warranted it. Since that time, the incidence rate for all three drugs has continued to grow as the emphasis on interdiction has continued to decrease. I believe it is imperative at this time to acknowledge our strategic error and move back toward the balanced approach until conditions in the U.S. drug situation warrant a change.

QUESTIONS SUBMITTED TO BRIAN E. SHERIDAN

Question. U.S. troops cannot remain in Panama beyond 1999 unless an agreement is reached with Panama to let them stay; efforts to negotiate such an agreement have foundered. What back-up plans has the Administration developed to substitute Howard Air Force Base in Panama as a platform for U.S. anti-drug activities in the region? Will these alternatives be more costly than operating from Panama or will these alternatives impact on the effectiveness of anti-drug operations? For example, aren't cost and effectiveness adversely affected if we have to build a new facility or if we have to use a site further away from the operating area, which is principally the Andean region?

Answer. The Secretary of Defense, through the Commander-in-Chief of U.S. Southern Command, is pursuing a concept of alternate basing designated as Forward Operating Locations (FOL). These sites are expected to serve as staging locations for the variety of U.S. aircraft conducting counternarcotics missions. The characteristics of an FOL include the basic infrastructure required to operate aircraft, including an adequate parking ramp, runway, fueling and security. FOLs are not envisioned to replicate the substantial and robust capability we enjoyed in Panama. Among the sites under consideration are Ecuador, Peru, Honduras, Puerto Rico, Curacao, and Costa Rica. US Southern Command has already sent a site survey team to Manta, Ecuador to evaluate the conditions. The cost of any one of these sites or a combination of multiple sites cannot be fully determined until negotiations are complete with all prospective host nations. The military Services are developing the best estimate possible of the incremental costs required to sustain the Department's current level of counterdrug operations in FY99 and beyond. However, at this time, a rough order of magnitude for these costs is approximately $35M to $50M, *which excludes any relocation costs.* If more than one nation agrees to host an FOL, the cost will be substantially different than that of only a single FOL. The variables in this determination include FOL location, existing infrastructure and force protection requirements. Ideally, the location of any FOL will be as close to the intended target zone as possible. The closer the site, the greater the available on-station time, and hence reduced transit fuel costs associated with each mission. We are striving to obtain access to sites as close to the Andean region as possible that not only have the

necessary infrastructure, but also the level of security and force protection we demand for our personnel.

Question. In what ways could the U.S. military be more effective in its smuggling detection and monitoring role? Is the Defense Department adequately committed to carrying out this role as a priority mission?

Answer. Secretary Cohen and the Department are absolutely committed to carrying out our role in this extremely important mission. At this time, a significant number of suspected narco-trafficking flights are detected and monitored. However, a lesser number are interdicted due to an insufficient number of available interdiction assets. In the 3rd quarter of FY98, 88% of the known air tracks were detected and monitored while only 12% were interdicted. Of the maritime events, 33% of the known tracks were detected and monitored in the 3rd quarter of FY98 while only 12% were interdicted. To improve on this record, additional end-game assets should be devoted to the areas identified as high transshipment zones.

Question. When will the new ROTHR be on line to provide additional coverage to the Andean region?

Answer. The ROTHR is scheduled to be on line in September 1999. Although preliminary reviews of the damage incurred after Hurricane Georges indicate a 1–2 week delay, a program manager assessment will be completed by the end of October to determine if the timeline will be further impacted.

Question. What specific plans does the Administration have for controlling the illicit flights carrying drugs from producing zones in Colombia to the northern coast (which is the staging area for transit to the United States)?

Answer. The Secretary has viewed with pleasure the reduction in illicit flights from the source zone nation of Peru. The success of the Peruvian "airbridge denial" program led to over a 40% reduction in the level of coca growth in Peru and a diminished price for coca leaf in the marketplace. The government of Colombia has discussed establishing a similar "airbridge denial" program, where narco-traffickers' aircraft can be intercepted and brought down if they don't respond to queries by Colombian Air Force interceptors. While Colombian law allows for the use of force when dealing with aircraft, until recently their policy had been to not use force in these situations. However, at a recent meeting of officials from both governments, the Colombians expressed their willingness to explore a more aggressive "airbridge denial" program. DoD is also working with the Colombian Air Force to improve their night operations and intercept capabilities.

Question. What plans does the Administration have for replacement of anti-drug facilities in the Guaviare Region in the coca-producing zone of Colombia?

Answer. Both DoD and DoS are working with the Colombian government to insure adequate counterdrug facilities are available after control of the area is appropriately restored.

Question. There is a continual debate about the volume and kind of support we provide Colombia to aid their actions in their fight against narcotics traffickers. What do you feel would be the one most important item we could provide the Colombians that would make the biggest difference?

Answer. The one area that would aid Colombia's battle against narco-traffickers would be to increase the mobility of the counterdrug forces to move quickly into areas where illicit crops are cultivated and narcotics are processed. This quick-strike capability would allow the Colombian forces to strike in a number of areas simultaneously and with little warning, dealing a serious blow to drug traffickers and their supporters.

Question. The State Department—and INL in particular—has received a lot of criticism in the past about the speed in which equipment that has been authorized and purchased is delivered to the host country. Are there any recommendations that you would make to Congress to speed up or smooth out the current process?

Answer. There are myriad programs in place to distribute equipment to foreign nations. I am hesitant to characterize the lack of responsiveness of any of these programs without first examining the details of the case. I do know that in the past, the distribution of equipment identified in a Section 506(a)(2) drawdown was delayed due to the host nation delaying the signing of an End Use Monitoring (EUM) agreement, as required. Generally, equipment identified in the Section 506(a)(2) drawdown is issued from the U.S. government supply system and delivered to a freight forwarder under the employ of the receiving nation. Other equipment, such as aircraft stored in long term preservation status at Davis-Montham Air Force

Base, require refurbishment to an operational status prior to delivery to the host nation. This refurbishment is occasionally a lengthy process. I reiterate that without specific case information, I am unable to address equipment delivery delays by any other Department within the Administration.

Question. I understand that Blackhawk pilots that had been stationed in the Bahamas as part of OPBAT were some of the best prepared and most experienced pilots the United States had during Desert Storm, especially for night missions. Can you please highlight some other examples where the training and experience our armed forces receive because of their participation in counter-drug activities have enhanced their performance in other areas of their responsibility?

Answer. The most notable area of training benefiting forces of the United States are in the Special Operations Forces area. Counternarcotics deployments are frequent in the drug producing and trafficking regions of Central and South America. Members of the diverse units that make up the U.S. Special Operations Command travel throughout the year for training deployments, instructing the counterdrug forces of the host nations in the skill sets that are most useful in detection of drug laboratories, patrolling techniques, riverine operations, and night operations. Some of the finest operational training our Special Operations Forces personnel receive is the type they derive as they deploy to the field to instruct others. Additionally, our intelligence support personnel gain valuable experience that is readily transferable to intelligence collection during situations of low intensity conflict.

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